JOURNAL

OF THE

Institute of Bankers.

(FOUNDED 1879.)

VOL. IV.—YEARS 1882-83.

London:
BLADES, EAST & BLADES, PRINTERS, 23, ABCHURCH LANE, E.C.

1883.

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The Institute of Bankers.

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INDEX.

The Institute of Bankers.

Sir JOHN LUBBOCK, Bart., M.P., President, in the Chair.

THE HISTORY AND DEVELOPMENT OF BANKING IN AUSTRALASIA.

By EDWIN BRETT, Esq., Fellow of the Institute.

[Read before the Bankers' Institute, Wednesday, Oct. 18th, 1882.]

ALTHOUGH the very inception of banking in Australasia dates only from the second decade of the present century, and is, therefore, within the memory of many living men, it would take far more time than the present occasion affords to narrate its history in anything like a comprehensive form, so rapid has been the development of the colonies, and so gigantic the growth of their still young institutions.

When the Council of this Institute did me the honour to invite me to read to you a paper on this subject, I felt some difficulty in deciding whether it were better to address myself to the early history of the colonies—their birth and development—or to trust to an exposition of the voluminous statistics which are available for a comparison of the rise and progress of banking in Australasia with the position of that science in other countries. Considering, however, that statistics are a plant of perennial growth, and that they are always accessible, I came to the conclusion that it would be more interesting, if not more useful, to place on record some of the remarkable incidents of the dead past, and to leave the living facts of the present day to be studied at leisure by the aid of a few figures, which the march of events will supplement day by day.

As much misapprehension, not to say popular ignorance, prevails with regard to the subdivision of the vast British territory, which

is comprehended in the generic name of Australasia, I may be excused for reminding you that it is divided into seven distinct colonies, six of which are under separate parliamentary government, and the other (Western Australia) is still a Crown colony, under the jurisdiction of a governor and legislative council.* The Fiji Islands, of which England took possession in 1875, also constitute a Crown Colony, making the eighth in the group: but these islands seem to pertain to Polynesia rather than to Australasia proper.

This is not the occasion for discussing the relative importance of the several colonies, but particulars of their area, population, and some other statistics will be found in the appendix (B). It has to be remembered that the territory extends over 32 degrees of latitude, and that more than one-third of it is actually within the tropics. Thus every variety of temperature, excepting extreme cold, is to be met with, and the natural and acclimatised products of this large area embrace all the cereals, fruits and flowers which thrive in temperate climes, whilst vegetation more peculiar to the torrid zone may be cultivated with advantage. Amongst the latter, sugar is grown to perfection in Queensland and the northern part of New South Wales, and is already produced in such quantities as to render the colonies comparatively independent of importations from the Philippine Islands and Mauritius, whence supplies of this necessary commodity were formerly drawn and financed for under bank credits.

If it were necessary to recount the mineral products of Australasia, the task might be simplified by making a catalogue of the comparatively few minerals which are *not* found within that area.

Although there is no great diversity of legislation in the several colonies, or variation of the English laws affecting commercial matters, some inconvenience necessarily results from local distinctions existing where physical boundaries are practically imperceptible. It is hoped, however, that, at some not very remote future, a remedy for this evil may be found in the confederation of all the colonies. In the meantime the independent legislation of each has compelled the banks to resort to various methods of incorporation to secure the advantages of limited liability, and they are subject to different local enactments in the conduct of their business.†

Prior to the advent of parliamentary government in the several colonies, the local banks obtained incorporation by "Acts of Council," which are equivalent to the later Acts of Parliament, and both were framed very much upon the lines laid down in the Royal

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* *Vide* Appendix A.

† *Vide* Appendix C for list of banks with dates of establishment, method of incorporation, &c.

Charter granted by the Crown to the "Bank of Australasia" in 1835, and which has apparently been the model of subsequent "Royal Charters" under which other banks in Australia and elsewhere have been incorporated. It is only proper to speak with all respect of such documents as these, emanating from the Crown, and verified by the Great Seal of England; but it must be admitted that the "Royal Charters" granted to the Australian banks are needlessly cumbersome in some of their provisions, whilst in others they impose disabilities and restrictions upon the operations of the banks which are impotent for the protection either of the public or the proprietors. The liability of the shareholders, under all the charters, is limited to double the amount of their shares, and it is understood that shareholders are made responsible to this extent in the interest of the banks' creditors, who would otherwise have no personal recourse against them if the corporate assets were exhausted.

That the charters have proved a source of embarrassment to the government has been sufficiently manifested in the difficulty the Lords of the Treasury have experienced in the exercise of the rights reserved to the Crown in matters of comparatively immaterial detail. When, for instance, two of the chartered banks applied to the government for necessary permission to increase their capital, in accordance with resolutions of their shareholders, they were informed, in effect, that the Lords of the Treasury were incompetent to judge of the expediency or otherwise of the proposed step, and they therefore declined to move at all in the matter, thus practically prohibiting a proceeding by the negative, but none the less effectual process, of declining all interference with it.

At the same time it was intimated to the banks in question that the government wished to relieve the Crown from the controlling powers reserved to it, and bills were subsequently introduced into Parliament with the object of merging all existing charters into statute law, divested, however, of these inconvenient clauses. Owing to the lateness of the session, rather than to any opposition they had to encounter, the bills never got beyond the second reading, and the government have lately devised another plan for meeting the difficulty. This is by the issue to each bank of a subsidiary or qualifying charter, which dispenses with all reference to, or control of, the Crown in matters of detail, but leaves the original charters untouched in every other respect, and terminable at the end of ten years.

It was under instructions from the Imperial Government that the disabilities and restrictions embodied in the Royal Charters have been reflected in the local Acts under which the colonial banks are incorporated. I am sorry that the space at my disposal will not allow of my printing in the Appendix the full text of an important circular which was addressed from Downing Street to the Governors of all the British Colonies, on the 30th May, 1846.

Here, however, is the 9th Regulation which they were enjoined to see was embodied in every Act for the incorporation of banking companies :—"The company not to advance money on security of lands or houses or ships, or on pledge of merchandise, nor to hold lands or houses except for the transaction of its business, nor own ships or be engaged in trade except as dealers in bullion or bills of exchange, but to confine its transactions to discounting commercial paper and negotiable securities and other legitimate banking business."

Surely this paternal interference with the business of banking is a strange anomaly at the present day, when banks can be incorporated under the "Companies Statutes" with the utmost facility and with perfect freedom of action ; and I venture to submit that it would well become the functions of this Institute to move for the abrogation of vexatious restrictions, which are certainly "more honoured in the breach, than the observance." Whether or not any bank in the United Kingdom can honestly affirm that it has not violated one or all of the canons comprised in this particular regulation, certain it is that no bank in Australasia can pretend to have practised so much virtue.

Before entering upon the various phases of banking business in Australia, it may be convenient to review briefly the commercial condition of the colony prior to the banking era, as an idea may thus be formed of the extraordinary soil in which the financial institutions had to be planted.

It must be borne in mind that the parent colony of New South Wales was originally formed in 1788 for the exclusive purposes of a penal settlement of the severe type of the period, and that so far from offering inducements to free settlers to follow the fortunes of the new country, private enterprise was distinctly discouraged by the government of the day. The irrepressible British merchant, however, was not to be shut out from any territory over which the flag of his country floated, and consequently after the lapse of the first ten years, *i.e.*, in 1798, a vessel (the second private ship) arrived in Port Jackson from Calcutta, with a cargo of merchandise under the personal charge of Mr. Robert Campbell, one of the owners, who thus laid the foundation of the eminent mercantile house with which the name of Campbell has ever since been associated. At this period the colony was almost entirely dependent upon foreign importations for its daily food, and as the government transports and provision ships occupied many months on their passage from England, occasionally meeting with disasters or destruction on the voyage, the supplies of the necessaries of life were exceedingly precarious, and the whole settlement was more than once on the verge of starvation.

Small as were the commercial transactions of such a period, apart from the government debursements of money or provisions,

it soon became evident that the specie imported from England was inadequate to the requirements of business, and it thus became necessary to utilise any other coins which chance or circumstances had introduced to the community. This heterogeneous currency had to be marshalled into something like order, and to be valued by authority, if it was to serve the purpose of a circulating medium, and accordingly the governor issued a proclamation in the year 1800, fixing the relative value of the various coins as follows :—

A Guinea	value	£1	2	0
„ Johannes	„	4	0	0
„ Half do.	„	2	0	0
„ Ducat	„	0	9	6
„ Gold Mohur...	„	1	17	6
„ Pagoda	„	0	8	0
„ Spanish Dollar	„	0	5	0
„ Rupee	„	0	2	6
„ Dutch Guilder	„	0	2	0
„ English Shilling	„	0	1	1
„ Copper Coin 1 oz.	„	0	0	2
„ „ ½ „	„	0	0	1
„ „ ¼ „	„	0	0	0½

At the same time copper coin was made legal tender to the amount of £5, and thus the recipient of such a sum would become the possessor of 37½lbs. weight of metallic money.

Still the increasing population and growing trade of the colony outstripped the government importations of coin, and other devices had to be adopted to meet the want of a circulating medium. In this emergency the governor, in 1812, sanctioned the issue, by private individuals, of promissory notes payable on demand in copper coin. It need scarcely be said that the ponderous character of the metallic equivalent—nearly 2lbs weight of copper for 5s.—favoured the circulation of these promissory notes, which were mostly for that sum, and they passed from hand to hand with greater freedom than a strict view of the obligant's means or credit would always justify. Indeed it was soon found that persons of no means at all were only too willing to accommodate the public by issuing these promises to pay. Notwithstanding, unless they were made by "convicts," they were not only legalised as "currency," but the public were prohibited from circulating them at differential rates of exchange, and they were thus placed on a par with the "Commissariat" or Government notes.

By this time the appreciation of the metallic money mentioned in the governor's proclamation of 1800 had been considerably extended, and the Spanish dollar, which had been valued at five shillings, was made to do duty for 6*s.* 3*d.*, by the ingenious and notable expedient of punching out of. the centre a circular piece, which was called a "dump," and was valued at fifteenpence, whilst the rim, now dignified by the appropriate name of a "holey dollar,"

legally circulated for five shillings. These coins (first issued in 1813) were not called in until 1829, and were, therefore, in circulation long after banks were established. In fact, the Bank of New South Wales was accustomed to advertise the payment of its dividends in "dollars" or "commissariat notes" at the option of the shareholders.

When it is remembered that at this period—1810 to 1815—England was involved in a gigantic European war, and that but for her practical command of the sea this distant colony must have been left to languish or to die, it ceases to be a matter for wonder that such inadequate supplies of specie were sent out from home to meet the requirements of a rapidly-increasing commerce. Nor is there any mystery about the scarcity of money, seeing that nearly all supplies had to be drawn from abroad, whilst comparatively few products were available for exportation; considering also that all shipments, whether of money or merchandize, outward or homeward bound, required convoying by men-of-war, or could only be protected from "the dangers of the seas and the King's enemies" by heavy insurance charges, which greatly enhanced their cost. But when peace was restored and the ocean highway was no longer infested by predatory ships, public interest and private enterprise were both directed to the infant colony, and settlement rapidly increased. In 1817 when the first bank in Sydney—the bank of New South Wales—was established, Captain King, R.N., was commissioned by the government to make the first real exploration of the coast of Australia, and, in the following year, free immigration was stimulated by gratuitous grants of land to persons possessed of capital.

The study of Australasian banking statistics is greatly facilitated by the compulsory publication of the quarterly averages of assets and liabilities of the banks trading in the colonies. An Act requiring this was first passed in New South Wales in 1840 (4 Vic. No. 13), and the other colonies have since legislated to the same effect, although not in identical terms. For instance, the Victoria "*Banks and Currency Statute*, 1864," allows any bank not issuing notes to escape the responsibility of publishing returns,* and thus the Bank of New Zealand, which carries on a considerable business in Melbourne, but without issuing notes, does not figure amongst the Victorian banks, and the statements in the appendix to this paper are consequently defective so far as that bank is concerned. The only other material variation in the form of return is seen in the New Zealand average statements. In that colony the Act aims at distinguishing the nature of the banks'

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* The words of the Act are . . . . "engaged in the ordinary business of banking *by* receiving deposits *and* issuing bills or notes payable to bearer at sight or on demand."

advances under three separate headings,* and, if any reliance can be placed upon the classification attempted, orthodox bankers may form their own opinions as to the proportion of legitimate business disclosed by these returns.

For the purposes of this paper I have deemed it expedient to deal only with the figures published in the statutory average statements, as they form a reliable index of the progress of banking *within the colonies*, but they are necessarily incomplete with regard to the universal position of the several banks. Most of these institutions have liabilities in respect to deposits in the United Kingdom, and the aggregate amount of these can only be approximately estimated by comparing the *Gazette* returns with the published balance sheets; but as the former figures represent the weekly *average* amounts for three months, whilst the latter apply to specific sums at certain fixed dates, nothing like an accurate estimate can be deduced from the materials at command. Moreover, some of the Anglo-Australian banks embody in their published balance sheets the London figures of one period with the colonial figures of an antecedent date; whilst the colonial banks follow a similar practice but with converse effect. A third element of disagreement is found in the fact that one of the banks in the list (the Oriental Bank Corporation) does a large amount of business in India and the East, which cannot be distinguished from the Colonial or British liabilities and assets in the general balance sheet. Again, no returns are yet available from Fiji where the Bank of New Zealand and the Union Bank of Australia are established. The *Colonial Gazette* returns have the merit of being concurrent and uniform in their essential particulars, and from them I have therefore compiled the tables printed in the appendix. In this task I have derived most valuable assistance from reference to the files of the "Australasian Insurance and Banking Record," a journal, which is published monthly in Melbourne, and which I have no hesitation in saying is unsurpassed by any periodical of the kind. I am glad to see that it adorns the library of this Institution, and I can confidently recommend its perusal to any one who desires authentic information upon the progress of banking in Australia, and can appreciate the intelligence which marks the quarterly analyses of the *Gazette* Returns.

A summary of these Returns for the quarter ending in December, 1881, has already been published in the *Journal* of this Institute,† and I believe I am only anticipating a similar publication, by presenting to you a summary of the Returns for the succeeding quarter (ending 31st March, 1882),‡ but reference to one or other

* 1. Notes and bills discounted.
  2. Debts due to the bank.
  3. Securities not included under other heads.

† Vol. 3, p 296.

‡ *Vide* Appendix D.

of these Tables is necessary to an elucidation of the present remarks.

The various items speak for themselves, but some explanation is necessary to prevent misconception as to the "balances due to," or "from other banks." From the magnitude of the figures in some cases, it would appear as if the banks were accustomed to come under heavy and continuous obligations to each other, but such a thing is exceedingly rare, if not entirely unknown, as weekly settlements are the invariable rule. Some of the banks, however, include, under the heading quoted, the balances due to or from their own branches outside of the particular colony, and this is obviously misleading. For all practical purposes it may fairly be assumed that none but the most trifling obligations are outstanding between the different banks, after the weekly settlement; only such items, in fact, as notes and drafts *in transitu* between the branches during the final clearing.

Under the heading of "Landed Property," is an aggregate amount of nearly two millions and a half, which may be taken to represent the value, for business purposes, of the premises owned and occupied by the several banks, and which for the most part, are amongst the finest buildings on the most valuable sites in the several cities and towns where they are situated.

Besides the Bank of New Zealand, there are several other banks doing business in Victoria, which, for the same reason (the non-issue of notes), do not publish any average statements in the *Government Gazette*, but the names and leading figures of these banks, taken from their balance-sheets, are given in the Appendix (E).

I propose now to note some of the peculiar features which have characterized banking at the Antipodes, from the infancy of 1817, to the adolescence of the present day. The full stature of maturity has yet to be achieved, and several generations will probably pass away before the banking business of Australasia can attain to anything like its full growth, seeing how vast is the territory to be occupied and how sparse is the present population compared with the capabilities of the soil to support life and civilization in their highest form. Some idea of the rate of progression may be gathered from an examination of the last ten years' statistics, which show that the business of the banks has more than doubled within that decade.*

Looking back then to that age when the mineral resources of the country where little thought of, and the production of gold was not so much as a dream of the future, the attention of the early colonists was specially turned to pastoral pursuits, and it was seen

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* *Vide* Appendix F.

that the natural grasses of the country were adapted to the rearing of sheep and cattle in numbers which would rapidly increase and become an ever-accumulating source of wealth. This is not the place to dwell upon the heroic and far-seeing achievements of those pioneers of an industry which has done so much to clothe the world in woollen garments, and which promises further to supply the mother country with animal and farinaceous food in prodigious quantities. Suffice it to say that pastoral pursuits from the earliest days constituted the staple industry of the colony, and thus became a necessary and important factor in the business of the banks.

Before reverting to the subject of pastoral securities it may be interesting to notice some of the trials which beset the conduct of mercantile affairs, and to glance at the vicissitudes which resulted from legislative interference or popular clamour during the earliest days of banking in Australasia.

Between 1825 and 1830 the breeding of sheep and cattle promised such excellent returns that a mania set in for the acquisition of live stock; and all sorts and conditions of men, who could command possession of grazing ground, purchased sheep and cattle at the enhanced prices which competition created, paying for them in bills at long dates with 10 per cent. interest added. The natural and rapid increase of the flocks and herds speedily outstripped the wants of the population, and a violent reaction in values necessarily ensued to the ruin of many sanguine speculators, who had been living in a "fool's paradise," and spending the prospective profits which fate ordained they should never realise. Many are the stories told of the astounding depreciation in the value of property of this description, and one typical case is cited of a "mob" of cattle bought at £10 a head being sold at 12*s.* each. Nevertheless, pastoral pursuits still constituted the leading business of the colonies, and the propagation of flocks and herds advanced in an ever-increasing ratio to the population, whilst the staple product of the country gave promise of that extraordinary development which it reached in later years. Not the least important feature in the increasing production of wool was that it supplied bankers and merchants with exportable merchandize on which exchange operations could be safely based, and some return made to the home country and foreign states for the imports upon which the very existence of the colonies so much depended.

What was wanted, however, above all things was *money*—money in its widest sense and most diverse signification—whether as capital or credit, coin or currency: the lack of money was a popular grievance, and the public looked to the Government to mitigate the evil. In the period ranging from 1836 to 1839 the banks had been accustomed to allow the Government 4 per cent. upon its deposits, which were the proceeds of Crown lands sold; but Sir George

Gipps, the Governor, with a narrow-minded notion of increasing the public revenue, now demanded 7 or 7½ per cent. interest, and to this demand the banks were compelled by competition to submit. The disastrous consequences followed, that to pay this interest they lent freely and encouraged speculations in live stock, land, &c., which eventually culminated in general disaster and almost universal bankruptcy.

This collapse reached its most acute form in the year 1843, when a representative legislative council was first established in New South Wales, consisting of 54 members, of whom 36 were elected, and 18 were nominated by the crown. To this body was committed the power of local legislation, subject to the governor's consent, and one of the first difficulties which confronted it was the mercantile depression which paralysed the energies of the country and brought all progress to a state of stagnation. It was at once seen that the embarrassments of the colonists resulted, not from a lack of material wealth or resources, but from a want of machinery by which capital invested in pastoral pursuits could be made the basis of sound credit. Many an old colonist can relate ludicrous incidents of this insolvent period, how men of the highest standing were served with writs for comparatively small sums which they had no *money* to pay, until what had first been regarded as a position of painful humiliation became the subject of standard jokes, and these impecunious debtors met each other in the streets and laughed over the terrors of the law by which they were mutually threatened. The practical remedy, however, was promptly found by the newly-formed legislative council in a law which they passed, entitled "*An Act to give a preferable lien on wool from season to season, and to make mortgages of sheep, cattle and horses valid, without delivery to the mortgagee.*" It has been said that this Act was the salvation of the colony; but when it was first passed, its principles were so repugnant to English notions of mercantile law, that the Home Government, more than once, refused to sanction it. The legislative council of New South Wales, however, as often re-enacted the measure and eventually it received the Queen's assent. Credit was thus re-established and confidence restored by the utilization of capital which had previously been locked up in unavailable securities, although (as results proved) in sound and legitimate investments. Another Act, which was amongst the first passed by the council, had the effect of protecting debtors who were solvent, but impecunious, from being forced into the Bankruptcy Court against the wish of a majority of their creditors. Thus the "squatters"—as the large owners of sheep and cattle stations have been called from that day to this—had breathing time given them to make financial arrangements, and their property was rendered available as a legal security upon which bankers and other capitalists could advance money. The two legislative acts by

which this happy result was brought about go far to justify the principle of local self-government with which the colonies are endowed, if indeed any justification whatever be necessary. Probably the power of making laws was conferred originally amidst much doubt and misgiving as to its judicious exercise by the young offspring of the mother country, and, as if to justify such apprehensions, some rather remarkable legislation was proposed, but the legislative council vindicated its claims to confidence by rejecting the projected measures. One of these, which was pressed upon the council with all the force of a resolution passed at a public meeting held in Sydney, proposed that the banks should be authorized, if not compelled, to relieve the existing pressure by advancing money upon plate and jewellery to the extent of three-fourths of its value, and it was also proposed that the Government should pay off all existing mortgages by issuing debentures for principal and interest, secured upon the general revenue.

Following closely upon the utilization of live stock as a banking security came the discovery of a method by which the carcases of sheep, thitherto chiefly valued for their wool, could be made to realize from 5*s.* to 8*s.* each after shearing, with the additional and very important advantage of being converted into an exportable commodity. This "discovery"—for it deserved the name—was made by Mr. Henry O'Brien, a squatter, and consisted in boiling down the sheep for tallow, a process which has been more or less utilized ever since, and is even now practised to a considerable extent. This new and valuable product materially assisted the balance of trade, and in the year following Mr. O'Brien's "discovery" of tallow (viz., in 1844) the exports from the colony for the first time exceeded the imports.

In the meantime the banking business of the colony had been extended to the outlying settlement of Port Phillip, the Bank of Australasia and the Union Bank of Australia having both opened branches in Melbourne in the year 1838, when the site of that now famous city was laid out by Sir Richard Bourke, who had just retired from the governorship of New South Wales.

GOLD DISCOVERIES.—Then came that memorable epoch (1851) when the discovery of gold in unmeasured profusion convulsed the world, and suddenly endowed the Australian colonies with attributes of wealth and greatness in comparison with which the previously existing prosperity sank into insignificance, and the ordinary industries of life were despised or disparaged. How the fever of excitement spread to every quarter of the globe is only too well known, and it is not necessary to dilate here upon the passions which prevailed at the centre of commotion, nor need the tale be told of the wild enthusiasm which seized all classes of the community. Suffice it to say that old residents and new arrivals (who now flocked to the colonies in tens of thousands)

were alike possessed with a mania for the riches which seemed to be within the reach of all, and that the tardy process of earning an honest living or eventual competence by ordinary mental or physical labour was cordially contemned.

What we have now to consider is the effect of this vast convulsion upon the banking institutions and banking business of the Australasian colonies. Naturally the number of the banks rapidly increased, and necessarily the business of banking assumed a character as foreign to the traditions of the old country as were the elements of commerce novel and exceptional. Passing over the inconvenience the managers and directors experienced in the loss of their officers, who joined in the general stampede to the gold-fields, it has to be noted that the chief difficulty the banks had in affording their mercantile constituents the necessary facilities for dealing in the new commodity was the want of coined money with which to purchase bullion at the gold-fields, or the merchants' drafts against it as it was shipped in due course to England. The energies of the printers and the hands of the bank officials were pretty well taxed in the preparation of bank notes, the circulation of which was multiplied with astounding rapidity, but this only mitigated the public inconvenience without supplying the want of coin, and it was not long before the banks found it necessary to purchase gold on their own account, and to hold it as a metallic, though not a legal tender basis for the notes they issued.

In the meantime the merchants' drafts against shipments of bullion assumed such magnitude that exchange on London was brought down to 10 or 12 per cent. discount, and the price of gold was limited to something like £3 per standard ounce. No wonder that enormous shipments of merchandize of every conceivable kind and character were poured into the colonies, where they not only found a profitable market, but could command returns, in the shape of exchange, or gold purchasable upon such advantageous terms. Nor marvel is it that prices soon found a more even level through all the available exports from the colonies being required to pay for the imports, which, it should be mentioned, included large shipments of British coin. These importations of specie, however, were anything but adequate to supply the want of a metallic circulating medium, or to form a sufficient basis for the bank notes which were so freely issued.

In this emergency, the Government of South Australia, which was not to any appreciable extent a gold-producing colony, undertook the coinage of Victorian gold, with the object of attracting money and of staying the exodus of its population. As the gold thus coined was made a legal tender within the colony of South Australia, at £3 11*s.* per standard ounce, and the current price of bullion in Melbourne was not more than £3, nor in Sydney more than £3 3*s.* an ounce, the object of attracting gold from the neighbouring colonies was readily accomplished.

The coins issued by the South Australian Government bore upon the obverse the figure of a royal crown, with the words "Government Assay Office, Adelaide, 1852"; and on the reverse the inscription, "Weight 5 dwts. 15 grs.," "Value one pound," "22 carats." As the Mint weight of the British sovereign is 123¼ grains, of precisely the same purity, the current coin of the realm was intrinsically *less* valuable by nearly 10 per cent. than the South Australian Token, weighing 135 grains, not to mention the superiority of the latter in being alloyed chiefly with silver instead of copper. Although the colonial coinage obviously violated the prerogatives of the Crown, and never obtained the Imperial sanction, the Home Government rather commended the ingenuity and boldness which had devised and adopted an expedient so well fitted to meet the exigencies of the times; but South Australia had to pay dearly for meddling with the currency question, as it was only within the boundaries of that colony, and for a limited period, *i.e.*, pending their disallowance by the Home Government, that the local coins could be made a legal tender; and the consequence was that British sovereigns, although intrinsically less valuable, actually commanded a considerable premium, and came to be regularly quoted in the Adelaide prices-current at 20*s.* 6*d.* to 21*s.* each. Whether or not this particular colony gained anything by its novel manipulation of the currency to counteract the temporary derangement of trade is a matter of divided opinion, but the interest in the question has passed away, and the experiment is not likely to be repeated.

The obvious want of a local mint was soon brought under the notice of the Home Government, upon urgent petitions from both New South Wales and Victoria, and after much deliberation it was determined to establish a branch of the Royal Mint in Sydney; the older colony having apparently obtained the preference through its foresight and liberality in having backed up its application by a cash remittance of £10,000 towards payment of the preliminary expenses.

The Sydney Mint commenced operations in 1855, but was worked at considerable loss at first, as might have been expected, seeing that its coin was not a legal tender beyond the boundaries of New South Wales. It was not long, however, before the other colonies severally passed the necessary Acts to place the Sydney and the English coinage on an equal footing, and the Imperial Government did the same in the Crown colonies of Mauritius, Ceylon and Hong Kong. But what tended more than anything else to render the New South Wales Mint remunerative was a regulation made in 1857 to coin the produce of other colonies at a reduced rate, and thus Victorian gold was attracted to Sydney to assist in utilizing the half employed machinery. In 1863 the Australian coin was made a legal tender throughout the British dominions.

Seeing that the Australian branches of the Royal Mint have issued

more than sixty-five millions of gold coin*, and have probably exported at least nine-tenths of that amount, it may be conjectured that the British public hardly appreciate the obligations they are under to those establishments for performing so large a proportion of the comparatively unprofitable work of coining gold, whilst the Royal Mint reserves to itself the very lucrative business of coining silver. Latterly, however, through the intelligent intervention of Mr. W. Delves Broughton, the deputy-master of the mint in Melbourne, the parent establishment has reciprocated the obligation to some extent by supplying the colonies with silver coin free of charge, but the banks formerly had to incur the expense of importing it (2 or 2½ per cent.) with an occasional subsidy from the colonial Governments. At present neither the Sydney nor the Melbourne Mint pays its expenses.

When gold was first discovered in Australia, it was assumed that the business of dealing in the new commodity, as in other articles of export, would remain in the hands of the merchants, and the idea of the banks buying gold on their own account was warmly resented, but this contention could not be maintained, and the banks were compelled to enter the field at all points, and to follow the fortunes of the diggers at every "new rush."

The competition thus engendered naturally enhanced the price of gold, but there was still a considerable margin left to cover the mistakes which bank officials were apt to make in dealing with a commodity of which, as yet, they knew so little. But these gentlemen soon acquired the necessary skill to enable them to conduct their business with safety. They speedily learnt to distinguish the products of the different fields, and could tell to a fraction the value of the gold offered to them in the shape of dust or nuggets, although it varied as much as three or four shillings an ounce. They were accustomed to make their purchases outright, and it was seldom that their judgment failed to stand the test of the melting and assaying to which their consignments were eventually subjected at head quarters.

In the early days many months would have elapsed before the discovery of error or fraud could be known in the colonies, as it was the practice to ship the gold to England in dust, but the banks found it desirable to set up their own melting appliances at Melbourne and Sydney, and then sent home the gold in bars or ingots, the exact value of which they ascertained by assay before shipment. In buying gold dust at such a price as £4 an ounce it is obviously necessary to cleanse it as much as possible from all impurities, and this is done by gently blowing away the light particles of earth with the mouth. To operate in this way on any considerable quantity involves no little expenditure of lung power, but when

* *Vide* Appendix G.

an ingenious bank manager essayed to economize his breath by the use of a small pair of bellows, this resort to machinery was indignantly denounced by the diggers, and the primitive method of blowing gold dust has been followed to this day. With the exercise of every care the loss on melting the best gold, such as that found in the neighbourhood of Ballarat, may be reduced to about one-half per cent., but with inferior samples it will sometimes amount to as much as 4 or 5 per cent. At the present day the business of gold buying is divested of the inconvenience and danger which attended the pursuit in the earlier years, when the mere rumour of discoveries in a fresh spot was enough to attract an immense population from other fields, and a few days or weeks would suffice to people the wilderness with an army of excited diggers and a concourse of camp followers ever ready to minister to their wants. At one of these "new rushes," as such a gathering was called, "claims" and "residence areas" were promptly "pegged out" and occupied. The mining claims, of course, were made to follow the supposed trend of the golden gutter, but the residence areas were placed in strict alignment under Government regulations, and thus one or more streets were formed, to develop into a permanent township or to melt away again into comparative solitude according to the richness or poverty of the adjacent field. It is needless to say that the "residences" erected under such conditions were not of a very substantial character: in fact, they were mostly constructed of canvas; but wooden buildings were put up by many of the storekeepers and publicans, whose places of business were always dignified by the name of "hotels;" and last, though not least, half-a-dozen banks would appear on the scene as soon as the "new rush" promised to reach important dimensions. The chief item in the impedimenta of a bank establishment thus migrating was an iron safe, the carriage of which would probably cost as much as it was worth, and this would be deposited, for protection, at the police camp, where all reserves of treasure were kept, and whither the cash and gold dust in hand were conveyed at the close of each day's work. As may well be imagined, the bank manager and his assistants were not housed with much luxury, nor were their business appliances of the most convenient kind. They had to resort to the so-called "hotels" for their meals, and to make their couch as best they could in the bank office, the counter and other fittings of which were too often constructed out of old packages amongst which gin and brandy cases, with the well-known "J.D.K.Z." or "Hennessy" brands upon them, were conspicuous, and suggestive of anything but abstemious habits on the part of the population. Nor were personal inconvenience and discomfort the only drawbacks to the banker's vocation; his very life was not infrequently placed in danger as he traversed the bush on horseback, armed with a revolver, and with gold or cash strapped to his saddle

or carried about his person ; for competition amongst the active and energetic young men who were entrusted with the bank's business at the gold fields led them to visit the diggers at their claims, and there to take charge of the gold which they had to sell. One reason why the diggers were thus accommodated was to be found in the precarious title of their mining claims, for continuous possession was almost necessary to a maintenance of the rights acquired by pegging out new ground. A claim taken up and abandoned, or apparently abandoned, by the owner was liable to be "jumped," as the saying is, by any new-comer, and therefore the miners commonly worked in small parties of two or three men, so that one at least might always be on the spot to hold the ground. At all events, the itinerant banker became a recognised necessity, and a horse for the manager's use formed an essential part of a branch bank's equipment at the gold fields. The buying of gold, however, was not the only object the banker had in view, for the acquisition of deposits and the circulation of notes formed a no less important part of his business. The first operation successfully accomplished naturally resolved itself into one or both of the other advantages, and thus gold buying was not only profitable in itself, but was trebly useful to the bank.

Many are the well-remembered instances of an ephemeral township assuming vast dimensions within a few weeks to die away almost as suddenly soon after. I have myself a lively recollection of visiting the Rush at Fiery Creek in 1858, when there were 40,000 people on the ground, and it was not an uncommon thing for the escort to carry away 6,000 ounces of gold at a time. The traveller at the present day sees but little evidence of that stirring period in the sleepy but respectable town of "Beaufort," twenty-eight miles westward of Ballarat, with its brick or stone banks, hotels, stores, post office and municipal buildings, and its staid and domesticated inhabitants numbering about 800; yet such is the altered aspect of "Fiery Creek," and such is a type of many other towns in Australia which have gone through similar phases of existence. The scene of many another "Rush" is now almost obliterated; perhaps no buildings of any kind remain to mark the site of the once populous and payable gold field, but the ruins of a rough chimney; or may be the apparition of a Chinaman here and there silently "fossicking" about the abandoned diggings, may suffice to recall memories of departed activity. The banks, stores, hotels and public buildings have been removed bodily to other localities, there to serve the same temporary purpose, or perhaps to blossom into a permanent and substantial town.

When gold buying was a profitable business, and was attended with collateral advantages, such as the circulation of untaxed notes in payment of wages, and the distribution of fortnightly or monthly dividends, the accounts of mining companies were much coveted by

the banks, who were thus induced to make considerable advances to such companies upon the security of their plant and machinery.* It is obvious, however, that with the failure of the mines the plant and machinery, *in situ*, suffer serious depreciation, and that for banking purposes the value of the mine itself is *nil*, whilst the chattel property is only worth what it will fetch to carry away or perhaps break up, if it be unsuitable for employment elsewhere. There is scarcely a bank in Australia which has not learnt from costly experience thus to estimate the value of a mining security. Excepting in the official liquidation of a mining company, little or nothing can be obtained from the shareholders for the satisfaction of bank or other creditors, as the scrip is often registered in fictitious or "dummy" names, and *bonâ fide* holders, good and liable for calls, are difficult to trace.

For some years prior to 1866 several Indian banks had agencies in Melbourne for the purchase of gold, and when this metal commanded a good premium in the East, and the rupee was worth more than 2*s*., an excellent channel was open for exchange operations. Of this most of the banks availed themselves, and they were thus enabled to place money in London not only without cost, but at a considerable profit, to meet the drafts which they sold at 1 to 2 per cent. premium.

Somewhat analogous transactions with America may be practicable at the present day, as appears from the fact that large shipments of gold have lately been made by the mail steamers running from Sydney to San Francisco. Shipping gold to California certainly looks very much like the typical absurdity of "sending coals to Newcastle," but such gold may be used to pay for exchange on England when it can be bought cheaply, or silver may be purchased with it to advantage for shipment to China or Japan, on account of foreign houses, and such has probably been the function of some of the Comptoir d'Escompte's recent consignments to San Francisco.†

Exchange Business.—The regular exchange business of the banks, being wholly in sterling money, is free from complications of an international character, and all foreign monetary transactions practically resolve themselves into the purchase or sale of bills on London. The usance is sixty days' sight, and the rates vary but little from one year's end to another, the extreme fluctuations ranging, as a rule, between 1 per cent. discount and 1 per cent. premium. Before the mints were established in Sydney and Melbourne,

* The directors of a mining company, with the consent of the shareholders (voted at a statutory meeting held for the purpose) can give a legal mortgage over all the company's property; such a mortgage being duly registered takes priority according to the date of registration, and affords a bank an indefeasible security over the plant, machinery and title of a gold mine.

† Such a transaction as this is quite apart from the ordinary exchange business of the Australian banks.

2 per cent. was the customary difference between the buying and selling rates, but the margin at the present day rarely exceeds ¾ to 1 per cent.

In Australasia, as in most other countries whence natural products are exported in the shape of raw material, it is the rule rather than the exception for merchants and producers to draw against their shipments, and they can usually sell their bills at a trifling discount, if not at par. But if an English exporter desires to draw upon Australia or New Zealand against his shipments, he will probably have to pay from 3 to 6 per cent. in London for the negotiation of his draft at sixty days' sight on the colony. This appears, on the surface, to be an excessive charge in comparison with the converse operation initiated on the other side; but it must be remembered that the exchanges are invariably against the colonies, as they have to pay in London for their importations from the whole world and the interest accruing on their public debts. Consequently, the effect of a bank in London purchasing a draft on Australia is to place money where it is not wanted, and the operation must be made to pay the cost of getting it back again. In this result it will be seen by reference to the example in the Appendix (H) that an exchange of 3½ per cent. for a draft at sixty days' sight, only yields the bank in London about 5 per cent. per annum for the time it is out of its money, and the vendor of the bill gets his accommodation at a shade less than the same rate of interest, but plus the expenses for stamp and return draft, which would fall upon him in any case if his draft were sent out for collection.

Perhaps it need hardly be said that Australian merchants frequently finance their foreign importations under bank credits. What are called "document credits" constitute a binding contract with the "*bonâ fide* holders" of any bills negotiated under them, that the bank's office or agents in London will "accept and pay" such bills, provided they are accompanied by a certificate from the banks' correspondents at the foreign port at which the credit is domiciled, to the effect that shipping documents for goods of equivalent value, or such proportion thereof as may be specified, have been handed to them for transmission to the Colony. Of course the terms upon which such credits are issued vary with circumstances; but a commission is usually charged, and the parties to whom the credit is issued are bound to provide funds in London at the current rate of exchange to meet the Bank's acceptances at maturity there, or to pay interest, as agreed, for any time the Bank may be actually out of funds.

During the wool season buyers of that commodity appear in the colonies armed with credits from American, French, or other foreign houses, under which they make their purchases in much the same manner as the Australian bank credits are operated upon

in the East; and, whether the wool is shipped to America, France, Germany, or elsewhere, the bills negotiated to pay for it are, as a rule, drawn on London. It would be impossible, in fact, to compute the exactly equivalent value of the goods in the currency of any foreign country, as there are no direct exchanges with such, as in England.

On the 22nd August, 1872, all the colonies on the mainland, excepting Western Australia, which has since been connected with the system, as have also Tasmania and New Zealand, were placed in telegraphic communication with the rest of the civilized world,* and "cable transfers," or remittances of money by telegraph, thenceforth became a necessary part of the banks' exchange business.

The exceptionable feature in the remittance of money by telegraph is the sudden and unforeseen demand upon the distant correspondents of the bank for the immediate payment (probably) of a large amount, for it has to be noticed that small sums rarely justify the heavy cost of a telegraphic message. The drawee of a foreign bill of exchange is usually placed in possession of advices before the bill is presented; he can then take twenty-four hours to consider whether he will accept it or not; and having decided in the affirmative, he has so many days or months "after sight" to prepare for payment. Some such protection is wanted for the "drawee," so to speak, of a "cable transfer," and it appears to me that the case might very properly be met by the paying bank (say in London) responding to the telegraphic advice, *not* by an immediate cash payment, but by the issue of a promissory note, or the acceptance of a draft, at sixty days' date, payable to the order of the person favoured. This would be identical in character though not in form, with the usual draft of a bank on its own London office, and would be as readily discountable if custom justified the practice of issuing such documents. Then in the ordinary course of post (forty days) the Australian bank, advising the credit, would have time to remit cover for it, without deranging its customary exchange business.

* The fact deserves to be recorded that this important work was accomplished at a cost of £370,000, by the unaided enterprise of South Australia. It was projected and carried out by Mr. Charles Todd, C.M.G., the indefatigable superintendent of telegraphs in that colony. The overland line from Adelaide in the south, to Port Darwin in the north, is nearly 2,000 miles long, and when Mr. Todd carried it across the continent, the greater portion of the country was unexplored, and 1,350 miles of it entirely unsettled by white men. The aboriginal natives, however, were numerous and savage enough to be a constant source of danger and anxiety, and they sometimes attacked the workmen with fatal consequences. That they never interfere with the wire is attributable to the fact, that during the process of construction the operators administered some electric shocks to several curious black fellows, who speedily spread reports as to the supernatural powers of the "white fellows' devil," and the danger of tampering with it.

Various devices have already been adopted for divesting cable transfers of their objectionable features, and in cases where such form of remittance is anticipated, the difficulty has been met by the Australian bank forwarding drafts to the London office, to be sighted and delivered to the payees, only upon receipt of subsequent advices by telegraph. Another plan is to advise by telegraph, in ciphers previously arranged, that drafts at three or four months after *date*, payable to the order of the secretary or manager of the bank, are going forward by the mail, and may be discounted if required for such and such parties. But where no arrangements have been made by anticipation, "cable transfers" require the response of prompt and immediate cash payments. The banks usually charge 3 or 3½ per cent. besides the actual cost of the message for a cable transfer, when the current rates of exchange for drafts at 60 days' sight are about ½ or ¾ per cent. premium.

Government Banking Business.—In each of the colonies the banking business of the Government is merged in the general average statements, and usually helps to swell the amount of deposits at interest. Sometimes when a colony has raised a new loan in England of say, three or four millions, the transfer of the funds to the local banking account will make an abnormal difference in the published returns, as compared with the previous quarterly statements; but as such loans are nearly always raised for gradual expenditure on reproductive works, the balances at credit of the Government are slowly depleted without any other sudden disturbance. In Victoria the "public account" is equally divided amongst the ten leading banks, through whose agency, also, the last two or three loans have been negotiated in England. The "departmental accounts" are distributed as nearly as may be in proportion to their magnitude amongst the same banks, one having the receipts or disbursements of the railway department, another of the post-office, another of the customs, and so on. No interest is allowed on these accounts, nor is any charge made to the Government for the remittance of inland revenues, or the transfer of money from Melbourne to the country districts; but upon the public account proper interest is allowed by the banks at the rate of 3 per cent. per annum on the daily current balances, provided they are not less in the aggregate than £50,000, or £5,000 in each bank. The agreement between the Government of Victoria and the associated banks is terminable upon twelve months' notice from either side.

Experience has shown that such a subdivision of the Government banking business is a wholesome check upon the political influence which, under a quasi-democratic government, is apt to interfere unduly with the financial institutions of a country. At the same time it is a safeguard against the violent derangement of trade

which may result from the competition of rival banks and the sudden transfer of exceptionally large deposits from one to another. Nevertheless, in all the colonies excepting Victoria, the banking business of the Government is entrusted to a single bank, but in most cases some of the surplus funds are distributed in the shape of fixed deposits amongst the other banks.

INTEREST.—It may here be noticed, that in none of the colonies do the banks countenance the heresy of allowing interest on ordinary current accounts; nor, as a rule, is any interest allowed upon deposits which are fixed for a lesser period than three months. The ordinary rule is to make a difference of 1 per cent. for the respective periods of three, six, or twelve months, but in practice it is found that deposits are nearly all lodged for the longest period, for the purpose of securing the highest available rate of interest.

As there is no standard like that proclaimed from time to time by the Bank of England, to regulate the rate of interest allowed on deposits, it is customary for the banks in the several colonies to come to an agreement amongst themselves fixing a maximum rate for the several periods; and this, to a great extent, checks the evil of unrestricted competition, which has led in times past to as much as 7 or 7½ per cent. being allowed for deposits fixed for a year or two. It is seldom now that the rate exceeds 5 per cent., and according to the latest advices it was pretty uniform in all the colonies at 3 per cent. for three months, 4 per cent. for six months, and 5 per cent. for twelve months and upwards.

For years together more or less stringent agreements have been maintained for regulating the general terms of business, including the price of gold, the rates of exchange (inland, foreign and inter-colonial), and the discount and other lending rates. There is, however, neither the same necessity nor the same excuse for agreements upon these points in which details vary so much; but with regard to deposits, the axiom that "one man's money is as good as another's" is a potent reason for regulating the price paid for it to one and all, according to its legitimate value for the time being.

The facilities for opening and keeping banking accounts in Australasia are probably greater than obtain in any other part of the world, and one circumstance which tends very much to the multiplication of small banking accounts, is the establishment of branch banks in every little town. Competition in some cases has led to the absurdity of two or even three banks being opened in many a township containing less than a thousand inhabitants, and as the total population of the colonies is only 2,773,500, and there are 1,076 banks and branch banks of issue, it follows that there is one of these institutions for the accommodation

of every 2,577 colonists of all ages.* The local tradesmen domicile their acceptances at these branch banks, and a commission of ⅛ or ¼ per cent. is usually charged by the metropolitan banks to the wholesale merchants and others for whom such bills are discounted, to cover the cost of collection.

Cash credits and overdrawn accounts are by no means uncommon, but are rather encouraged than otherwise, and the lowest rate of interest charged upon them is usually 1 per cent. above the maximum rate of discount. This again is regulated by the currency of the bills, those having no more than three months to run being charged ½, or, perhaps, 1 per cent. less than those of longer date. It is generally the aim of the banks to maintain a margin of 2 per cent. between the maximum rate of interest allowed on deposits and the minimum rate of discount, but competition is apt to interfere with the exact fulfilment of this purpose.

Note Circulation.—Although Australasia is a land of gold, and two branches of the Royal Mint are actively engaged in converting the precious metal into current coin, bank notes still constitute the chief circulating medium in all the colonies, and probably in a larger ratio than in Scotland, where such currency finds so much favour. In an interesting paper presented by my friend, Mr. Nathaniel Cork, F.R.G.S., to the Statistical Society, in 1874, the note circulations of the Australasian Colonies and of Scotland were alike estimated at £1 15*s.* 10*d.* per head of the population. So far as the colonies are concerned, this proportion has been increased to £1 17*s.* 4*d.* per head, of which about 60 per cent., or £1 2*s.* 8*d.* per head, is in one pound notes.

But little profit is now derived by the banks from their note issues, as the circulation in all the colonies, excepting South Australia and Western Australia, is taxed: in Queensland at the rate of 3 per cent., and in the other colonies at the rate of 2 per cent. per annum, the tax being payable in each case in quarterly instalments upon the average amount in circulation.

It is only within the last few years that bill stamps have been introduced into any of the colonies, but this source of revenue is now pretty generally cultivated, and for the most part at double the English scale.†

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* In an interesting paper upon "Victoria Banking," read before the Social Science Congress at Melbourne, by Mr. Henry G. Turner (and reported in *The Australasian Insurance and Banking Record*, of December 8, 1880), the author estimated the proportion of banking establishments in the United Kingdom to population as follows:—

	Banks.	Population.	
England	2,117 ...	25,000,000	= 1 to 11,810
Scotland	898 ...	3,600,000	= 1 to 4,031
Ireland	495 ...	5,400,000	= 1 to 10,910

† *Vide* Appendix I.

PASTORAL ADVANCES.—To the orthodox British banker there is doubtless something startling in the very idea of lending money upon the security of sheep and cattle, especially when such security is uncombined with a freehold or other perpetual right to the occupation of grazing land upon which the flocks and herds may be depastured and their existence maintained. What may seem a still stranger banking security is a lien on the wool growing upon sheep which are not necessarily impledged to the same lender, but may, on the contrary, be mortgaged to a third party, as is not infrequently the case. And yet it may fairly be assumed that fully two-thirds of the 75 millions of "all debts due to the banks" in Australasia are directly or indirectly based upon pastoral securities of this nature, connected with the occupation of grazing land, which is mostly the unalienated property of the Crown. Another 10 millions, perhaps, may be added to embrace advances on agricultural land and real property in general, thus leaving only about 15 millions sterling to represent the mercantile discounts which were formerly regarded in this country as the one strictly legitimate form of banking investment. It is not for me in the presence of this Institute to say how far this dogma has been assailed of late years by the introduction of stock exchange and other modern securities to fill up the gap made by the competition of the discount companies, but I venture to assert that amongst the various resources now employed in England for the investment of banking capital, none are more legitimate or suitable to the age and country than are the pastoral advances of the Australasian banks.

I have already referred to the redemption of the colonies from a state of bankruptcy in 1843, by the passing of an Act to legalize mortgages of live stock and liens on wool, "*without delivery to the mortgagees.*" The words here quoted, which appear in the preamble to the original Act, are apparently unnecessary, not to say misleading, as they simply express a condition which is common to nearly all mortgages, whether of chattel property or real estate. But, as a matter of fact, the words are especially inapplicable to liens on wool, as constructive "possession" of the property passes with the execution of the lien from the lienor to the lienee, as will be seen on reference to excerpts from the Victorian Act in the Appendix (J). This, indeed, is a fundamental and important feature of the security, as it empowers the lienee to follow the wool, either on the sheep's back or after shearing, and to assert a right to it which is absolutely incontestable within the boundaries of the colony in which the lien was given, provided always that such lien was registered within thirty days of its execution. The same condition as to registration applies to mortgages on live stock, and if more than one mortgage be given over the same stock each instrument ranks according to the date of its registration, taking priority, which

cannot (in the words of the Act) be "prejudically affected by any subsequent sale, mortgage, or other incumbrance whatsoever . . . nor by any subsequent insolvency of the lienor."

Although a stock mortgage always includes the natural increase and progeny of the animals mortgaged, and usually contains a condition facetiously termed a "grab-all" clause, under which the mortgagee, if he takes possession, can lay claim to all other stock being or coming upon the station, a sufficient margin is generally left to allow of surplus or fat stock being realized in the ordinary course of business to pay working expenses. Thus, for instance, if a station commonly carries (say) 100,000 sheep, perhaps no more than 80,000 will be enumerated in the schedule to the deed.

It will be seen that, with the important adjunct of registration, stock mortgages may be made as nearly indefeasible as legal enactments will permit. But there is another vital element in the safety of a pastoral security, and that is the tenure of an adequate area of grazing land upon which the mortgaged stock can be depastured and properly tended. By far the largest portion of the land occupied for pastoral purposes is the property of the Crown, and one of the most difficult problems which has ever confronted the colonial legislatures has been that of utilizing such land without prejudice to the right of resumption, as extended areas might be required for permanent settlement or cultivation by the "yeoman proprietary," which it has been the aim of successive governments to form and foster. Under these circumstances it has happened that vast tracts of country are held by the pastoral tenants of the Crown under license or short leases at little more than a nominal rent, but subject to the inconvenient condition that "free selectors"—as the embryo yeomanry are called—may enter upon the occupation of 320-acre blocks wherever they may find what they deem suitable spots for settlement, and may acquire from the Crown a freehold title to such land at the price of £1 an acre, payable by instalments spreading over ten years. For the first two or three years, however, the land is nominally held under lease, and a certain amount has to be expended upon permanent improvements; the squatter, too, has the right to be recouped his expenditure for such improvements, and is thus, to some extent, protected. As a selector can take up land upon similar conditions for each of his children, it is obvious that a man with a large family may thus acquire a compact and extensive estate by encroachments upon the squatter's domain. Of course sheep and cattle runs which are within reach of the centres of population are especially liable to be cut up in this manner, and many stations so situated have been completely absorbed, but the remote interior of the country is comparatively free from the inroads of selectors. Such, in general terms, are the conditions upon which the grazing lands of Australia are held by the pastoral tenants of the Crown, but the land laws and regulations vary very much in the different colonies.

There are between 75 and 80 millions of sheep in Australasia, and upwards of 8,000,000 of horned cattle, and the stations or runs upon which these vast flocks and herds are depastured comprise enormous tracts of country on which the human population is comparatively infinitesimal. The right to occupy this country has, however, a substantial and marketable money value, and a bare run, without stock of any kind, may be sold for many thousands of pounds, according to its area, which may be 50,000 or 500,000 acres, or perhaps a thousand square miles, or more, and according also to the value of the permanent improvements in the shape of buildings, fencing, wells, dams, &c. On most stations the dwelling-houses and more important buildings are erected on freehold land, and in districts which are much exposed to free selection, the squatter's aim is always to purchase as much land as his means and the Government conditions will allow. In this way many Crown runs have been converted into vast freehold estates at a cost of £1, £2, or £3 an acre. Considering that the acquisition of the freehold title does not, *per se*, make the land more productive than it was before, it may be worth while to notice that if it pays to grow wool upon land which represents in interest a rental of 1*s*., 2*s*., or 3*s*. per acre per annum, it must be very profitable to do the same thing upon Crown lands of which the rental only amounts to as many pence.

On the other hand, it must be admitted that stockowners are subject to severe losses in seasons of drought, which unfortunately recur in Australia, but the effects of which are now very much mitigated by the sinking of wells and construction of water reservoirs. With such appliances, unless a station be recklessly over-stocked, an occasional season of drought is comparatively innocuous.

As I have already indicated, a pastoral security may be somewhat complicated by promiscuous borrowing from various parties. Thus, the land upon which sheep are grazing (whether a Crown run or a freehold) may be legally impledged to one person, the sheep mortgaged to a second, and the wool upon the sheep liened to a third. A case of the kind is within my own recollection, in which the owner of the property became insolvent. Thereupon, the mortgagee of the land (which happened to be freehold) called upon the mortgagee of the sheep to remove them or pay for their agistment; and the lienee of the wool, being dependant for his security upon the life of the sheep, was only too glad to share the expense of their maintenance until shearing time, when he carried off his clip, and his interest ceased. The sheep being then freed from the incumbrance of the wool lien, became saleable, and their mortgagee was enabled to dispose of them. Of course, a capitalist who advances money on a stock mortgage, is usually careful to have a complete hold over the land upon which the stock are depastured

and his security may be perfected, though not necessarily, by a registered wool lien which would give him a right he would not otherwise possess, of seizing the clip after it had left the station. It is not, however, at all an unusual thing for the mortgagee of sheep to assent to the mortgagor borrowing upon the security of his wool from a third party, as funds can thus be raised to pay interest and working expenses, and the security of the mortgagee, if his advances be not due until after shearing time, is in no way impaired; but the written consent of the registered mortgagee of sheep, is, in all cases, necessary to the validity of a wool lien given to a third party.

Although it is supposed that fully 50 millions of all the debts due to the banks in Australasia are more or less connected with the pastoral interest, it by no means follows that the pastoralist deals directly with the bank. It more frequently happens that a merchant or commission agent fills an intermediate position, and finances the advance in the shape of bills or promissory notes upon the responsibility of his own or other names, supported by stock mortgages or wool liens as collateral security.

When a station property changes hands, it is a common thing for two-thirds, or other large proportion of the purchase-money to remain on mortgage, and to be payable by half-yearly or annual instalments extending over three, four or five years. The deferred payments are represented by bills with interest added, and though such bills are too long dated for ordinary banking purposes, they afford a very safe basis for advances, and as they approach maturity they conform in the soundest sense to the theoretical perfection of banking business. Indeed, it may be said, without disparagement to the traditional "trade paper" which bankers delight to discount, that a squatter's promissory note, collaterally secured by a wool lien, is superior to the best mercantile bill, having the same term to run, because the former resolves itself, at maturity, into a solid exportable commodity, whilst the latter may possibly prove nothing better than worthless paper.

Before quitting this branch of the subject, it may be appositely mentioned that no less than 30 commercial, financial or pastoral agency and investment companies have been established in Great Britain to compete with the banks in the employment of capital in connection with pastoral pursuits; that these companies have an aggregate paid-up capital exceeding eight millions sterling, and another ten millions, or thereabouts, of borrowed money with which to trade, and that their operations are for the most part very profitable to their shareholders.

I have only to add that pastoral advances, prudently managed, are amongst the safest of bank investments, but if bankers make the initial mistake of locking up too much money in such securities, they may cap the error by an untimely and panic-stricken realization

of assets of a sound and recuperative character, and thus make totally unnecessary losses.

AGRICULTURAL ADVANCES AND REAL PROPERTY.—According to political economists the domestication of flocks and herds is but one remove from the primitive barbarism of the savage who lives by hunting wild animals, and the second step in civilization is the tillage of the ground. It need scarcely be said that the Australian settlers have been aided in this second step, as in the first, by all the appliances of modern science, and that the art of agriculture transcends the husbandry of the semi-savage as much as the business of the squatter excels the pastoral pursuits of the ancient patriarchs.

To the fact that both these industries have had the financial support of the banking institutions, is to be attributed much of the existing prosperity of the Australasian colonies, and their rapid development. South Australia was the first colony to make important strides in agriculture, and it has to this day a much larger area of land under tillage than any other colony. It was, indeed, for many years the granary of Australia; but nearly all the colonies now grow sufficient grain for their own wants, whilst Victoria and New Zealand produce such quantities that they have each a large annual surplus for exportation.

Although the repayment of loans to agriculturists depends very much, as it does in England, upon the out-turn of the annual crop, the lender in Australia usually has the land upon which the crop is grown by way of security, because cultivation by tenant farmers is comparatively unknown in a country where extraordinary facilities are afforded to all classess for the acquisition of land in fee simple, and where untold acres of virgin soil are available for settlement. Nor is the land itself the only security a borrower has to offer, for, under acts of Parliament passed in some of the colonies, he can give to a lender a valid registered lien over his growing crop, and thus the produce of cultivated land may be assured to the mortgagee, in much the same way as a wool lien perfects a mortgage over sheep, although the one is not necessarily an adjunct of the other.

In estimating the prospective value of real property in Australasia, considered particularly as a basis for banking advances, it has to be borne in mind that this sparsely-peopled territory offers extraordinary inducements for immigration from the over-crowded countries of the whole world; and that with a steady increase of population, the extension of railway communication, and the application of all other modern improvements, for which there is such a receptive opening, the value of land must be maintained, if not largely increased. Perhaps this may be predicted with greater confidence in connection with metropolitan and suburban property than with pastoral or agricultural lands. It remains, indeed, to

be seen how the last named will fare under the exhausting system of cultivation which has hitherto obtained; but probably the equivalent of the alternating green crops, which are deemed necessary in England, will eventually be found in a more general combination of grazing and agriculture.

To touch, however remotely, upon the subject of land in Australia, without some reference to the admirable system of land transfer, for which the colonies are everlastingly indebted to Sir Robert R. Torrens, the present chairman of the Bank of South Australia, would be to slight one of the most beneficent reforms of modern times. It is not necessary to dilate upon the great political struggle of 1857-58, and the strenuous opposition of the legal profession, through which Sir Robert (then Mr. Torrens) carried the "*Real Property Act*," in the colony of South Australia. It is sufficient to notice that the principle of the Act has been gladly adopted by all the other colonies, with the result of so simplifying the titles to land, that dealings with such property may now be effected with all the facilities of ordinary mercantile transactions. Persons who have had to do, as in this country, with a mass of ancient, complex and defective deeds as the muniments of title to a real estate, will be in a position to appreciate the advantages of having such a pile of documents transmuted into a single sheet of parchment or paper, constituting an indefeasible "certificate of title" in the plain English phraseology of which a specimen is given in the Appendix (K) from the Victoria "*Transfer of Land Statute*." On the other hand, English lawyers may contemplate with dismay the possibility of landed property passing from vendor to purchaser, as it does in Australia, upon the signature of a concise, printed transfer, requiring nothing more than the filling up of half-a-dozen blanks and registration in the "*Lands Titles Office*," which any layman can effect. [Form in Appendix (L).] The several methods by which land can be mortgaged and otherwise encumbered or dealt with, are all marked by the same simplicity, and thus real property is entirely divested of doubt as to title, and is rendered readily available as a security for advances.

Doubtless there are many vested interests to overcome, and serious obstacles to encounter before the principles of "Torrens' Act" will find acceptance in this country, but surely a system possessing such manifest and great advantages will eventually be adopted by the British Parliament.

Bank Clearings.—The weekly balances from which the published average statements are compiled are struck at the close of business every Monday evening, when the exchange accounts between the several banks are brought to a point, and the balances, *pro* or *con.*, settled in gold, which is paid over the following morning. The country branches of the different banks settle with each other at the same period by sight drafts on their metropolitan offices, and these

drafts consequently come into the cash settlement of the following week.

A Clearing House on the London model has been in existence in Melbourne for the last fifteen years, and obviously affords the most convenient method of interchange between the various banks. Strange to say, although other colonies have availed themselves of similar machinery, New South Wales, through the inscrutable opposition of one or two banks, has never been able to establish a Clearing House; and thus it happens that in Sydney, clerks from each bank have to go, three or four times a day, to every other bank, and present their charges over the counter, waiting for "answers" which are not, perhaps, always carefully guarded or prudently given in the presence of the public. In Sydney also a primitive method still prevails of settling the weekly differences, although inconvenience is somewhat mitigated by an arrangement under which each bank in turn receives the cash from the paying banks, and distributes it amongst those which have to receive. Thus each bank receives or pays the whole amount due to or by it in one sum, but the settling bank is made the temporary custodian of many thousands of pounds in which it has no interest. The gold passes from hand to hand in bags containing a thousand sovereigns each, and these are more or less roughly checked by weight, and sometimes without opening. The risk, expense and loss by attrition involved in this method of settlement are to a great extent obviated by an excellent system which is in operation in Melbourne. In this city the Clearing House Banks have a permanent deposit of about half-a-million new sovereigns, represented by parchment vouchers for £1,000 and £500 each, which pass from bank to bank in settlement of the weekly exchanges, and thus transfer the ownership of so much of the money, without the coin itself being either seen or handled. The safe custody of this fund is assured by the sovereigns being deposited in equal proportions in three special safes lodged in the strong rooms of three of the banks, each safe having three locks, the keys of which are held by three separate bank managers as trustees, and by whom the parchment vouchers are signed. At uncertain intervals of six or twelve months other bank managers are nominated as auditors, to examine the safes and to testify to the integrity of their contents. The amount originally deposited was £320,000, each bank contributing an agreed sum in proportion to the magnitude of its business, and being required, as a general rule, to hold its quota of vouchers. But as other banks have been admitted to the Clearing House, and business has extended, additions have been made to the deposit of coin, and it will doubtless, be still further augmented from time to time. All the vouchers are numbered, and the inspector of the Clearing House keeps a record of them as they pass from hand to hand. Any bank being short of its quota or holding more than

its share can ascertain from that officer with what other bank to make an exchange for gold. This exchange can be effected at any time which may be mutually convenient, and without necessary reference to the weekly settlements.

It has more than once been suggested that the banks might economize their resources by agreeing upon some interest-bearing securities, such as Government debentures, as a basis for the settlement of their exchanges, but the idea has never been brought within practical range, nor is it likely to meet with general or even partial adoption, for nothing but gold will pay the bank's liabilities to the public, and it is perfectly certain that if any severe crisis arose the conversion of the reserved Government debentures into cash would be next to impossible within the colonies, whatever market there might be for such securities in other parts of the world.

It has to be noticed, however, that less than half the liabilities are payable on demand, the other and larger proportion being in the shape of fixed deposits which only mature at certain dates, ranging up to a year or longer period.

Probably in the English view, the Government debentures held by the banks would be regarded as a cognate supplement to the metallic reserves, but for the reasons just now stated they are not so regarded in the colonies. Nevertheless, the Government debentures held by six of the colonies amounted to nearly two millions sterling; and as securities of this character are not distinguished in the Victoria returns, the probability is that the aggregate amount would be considerably increased if the holdings in that colony were disclosed. Again, it may be noticed that although Government debentures are not deemed equivalent to metallic reserves, these securities answer the same purpose to this extent, that they are generally available for remittance to England, and may thus be made to afford cover for the bank's drafts in lieu of shipments of coin which may otherwise be necessary. In fact, a bank which has funds or securities in London against which it can draw possesses a reserve which, for general purposes, is the best it can hold, seeing that in ordinary times it can always sell exchange at a slight premium, and can thus fortify its position in the colony by withholding remittances for a time.

I may here mention that, for the present purpose, the Government debentures held by the banks, so far as they are disclosed in the published returns, are included in the general assets under the heading of "all debts due to the bank."

In the Appendices (M, N) will be found tabulated statements of the aggregate amount of advances and liabilities of the several banks in all the colonies, with the proportion per £ of their metallic reserves against the latter, for the quarter ending in March last; but these reserves happen to be below the normal average, which is usually regarded as 4*s.* in the £.

Although I have extended this paper to what may be deemed an inordinate length, I am fully sensible of its shortcomings, and of the many points of interest which are left untouched. But I trust I have done sufficient to pave the way to a useful discussion upon a system of banking which necessarily varies, in many important particulars, from the most cherished traditions of the science as practised in this country.

APPENDIX A. (P. 2).

THE SEVEN COLONIES OF AUSTRALASIA.

No.	Name of Colony.	Capital.	Area in Square Miles.	Population at Census 1881.	Date of Settlement, &c.
1	NEW SOUTH WALES ...	Sydney	310,938	740,836	Possession taken by Captain Cook, 1770. Colony settled and founded 1788.
2	WESTERN AUSTRALIA	Perth	1,024,000	31,000	Settled 1826. Colony founded as the "Swan River Settlement," 1829.
3	SOUTH AUSTRALIA ...	Adelaide ...	903,690	279,865	Settled 1829. Colony founded 1836.
4	VICTORIA	Melbourne ..	87,884	858,562	Settled 1834, as the "Settlement of Port Phillip." Separated from New South Wales, 1851.
5	QUEENSLAND	Brisbane ...	669,520	213,525	The "Moreton Bay District." Separated from New South Wales, 1859.
	Total AUSTRALIA	... ...	2,996,032	2,123,788	
6	TASMANIA (formerly called VAN DIEMAN'S LAND)	Hobart	26,215	115,705	Settled 1803. Separated from New South Wales, 1825.
7	NEW ZEALAND	Wellington ...	105,342	534,008	Settled 1839, as a dependency of New South Wales. Separated 1841.
	Total AUSTRALASIA	... ...	3,127,589	2,773 501	

If the Continent of Australia were divided into 100 equal parts, Victoria would comprise 3, New South Wales 10, Queensland 23, South Australia 30, and Western Australia 34 of such parts.

APPENDIX B (P. 2).—STATISTICS OF AUSTRALASIA.

From the STATISTICAL RETURNS issued by the Registrar-General of New South Wales, and the Government Statistician of Victoria, at the close of 1880.

Name of Colony.	Area in Square Miles.	Estimated mean population of 1880.	Revenue of 1880.	Proportion of Revenue of 1880 raised by Taxation.	Rate of Taxation per head of population.	Value of Imports for 1880.	Value of Imports per head of the population.	Value of Exports for 1880.	Value of Exports per head of the population.	Rate of Revenue per head of the population.	Rate of Expenditure per head of the population.	Miles of Railway open Dec. 31, 1880.	Miles of Railway in course of construction Dec. 31, 1880.
			£	£	£ s. d.	£	£ s. d.	£	£ s. d.	£ s. d.	£ s. d.		
New South Wales	310,937½	739,385	4,904,230	1,417,293	1 19 4½	13,950,075	19 7 5½	15,525,138	21 11 2½	6 10 7¾	7 2 7½	849½	456
Victoria	87,884	860,067	4,621,282	1,690,923	2 0 2¾	14,556,894	17 2 4¾	15,954,559	18 5 3	5 8 3	5 14 2¾	1,119	14½
South Australia	903,690	267,753	2,027,964	529,450	2 0 0½	5,581,498	21 2 2	5,574,505	21 1 7½	7 1 8½	6 14 5	667	319
Queensland	669,520	226,077	1,612,314	600,236	2 14 1	3,087,296	13 18 2	3,448,160	15 10 8¾	7 7 9¾	7 13 5½	633½	171½
Tasmania	26,215	114,762	439,780	304,546	2 13 7½	1,369,223	12 1 0½	1,511,931	13 6 1¾	3 16 0¼	3 13 2¾	172¾	—
Western Australia	1,024,000	29,019	180,050	95,510	3 5 9¾	353,669	12 3 9	499,183	17 4 0¾	5 16 2	6 11 8	90	20
New Zealand	105,342	484,864	3,283,396	1,535,700	3 4 9	6,162,011	12 19 10	6,352,692	13 7 10½	6 2 11	7 10 5¾	1,258	208
Total for Australasian Colonies	3,127,588½	2,721,747	17,069,016	6,173,658	2 6 4½	45,060,666	16 17 0¾	48,866,168	18 5 6	6 1 11¾	6 12 0½	4,869½	1,189

Name of Colony.	Miles of Telegraph Wire open Dec. 31, 1880.	Miles of Telegraph Lines open Dec. 31, 1880.	Miles of Telegraph Wire in course of construction.	Extent of Crown Lands alienated during 1880.	Number of Acres under Crop in 1880.	Number of Horses in 1880.	Number of Cattle in 1880.	Number of Sheep in 1880.	Number of Pigs in 1880.	Estimated Population, Census April 3, 1881.*	Public Debt on Dec. 31, 1880.	Rate of Indebtedness per head of population.
											£	£ s. d.
New South Wales	13,118	7,955	501½	1,818,626	706,498	395,984	2,580,040	35,399,547	308,205	750,800	14,903,919	20 3 1½
Victoria	6,019	3,215	132	410,199	1,993,916	275,446	1,285,481	10,355.266	241,836	862,346	22,060,749	25 13 0
South Australia	6,904	4,754	515	464,615	2,574,489	157,915	307,177	6,463,897	131,011	286,211	9,865,500	36 17 4¾
Queensland	8,150	5,768	567	573,214	112,290	179,152	3,162,752	6,935,967	66,248	218,159	12,192,150	53 13 7
Tasmania	1,096	878	—	39,425	140,788	25,267	127,187	1,783,611	48,029	115,705	1,943,700	16 18 8¾
Western Australia	1,592	1,555	—	13,810	63,902½	34,568	63,719	1,231,717	24,232	31,000	361,000	12 8 9½
New Zealand	9,401	3,706	—	173,770	917,660	137,768	578,430	13,069,338	207,337	534,250	28,583,231	58 19 0
Total for Australasian Colonies	46,350	27,831	1,715¼	3,493,659	6,509,548½	1,206,100	8,104,786	75,239,343	1,026,898	2,798,471	89,910,242	33 0 8

* Aborigines are included. In Victoria they numbered 780; in South Australia, 6,346; and in New Zealand, Maoris 44,099.

APPENDIX

AUSTRALIAN BANKS OF ISSUE

No.	Date Established.	Name of Bank.	Head Office.	Number of Branches.
1	1817	Bank of New South Wales	Sydney	150
2	1823	Bank of Van Dieman's Land, Limited ...	Hobart	1
3	1832	Commercial Bank (Tasmania)	Hobart	6
4	1834	Commercial Banking Company of Sydney ...	Sydney	90
5	1835	Bank of Australasia	London	96
6	1837	Union Bank of Australia, Limited	London	62
7	1847	Bank of South Australia	London	27
8	1847	Western Australian Bank	Perth, W. Aus. ...	3
9	1851	Oriental Bank Corporation	London	35
10	1852	Bank of Victoria	Melbourne ...	70
11	1852	London Chartered Bank of Australia ...	London	22
12	1852	English, Scottish, and Australian Chartered Bank	London	43
13	1853	Australian Joint Stock Bank	Sydney	74
14	1856	Colonial Bank of Australasia	Melbourne ...	42
15	1858	National Bank of Australasia	Melbourne ...	99
16	1861	Bank of New Zealand	Auckland, N. Zea.	98
17	1864	City Bank (Sydney)	Sydney	7
18	1865	Bank of Adelaide	Adelaide... ...	7
19	1867	Commercial Bank of Australia, Limited ...	Melbourne ...	39
20	1869	Mercantile Bank of Sydney	Sydney	1
21	1872	National Bank of New Zealand, Limited ...	London	24
22	1872	Queensland National Bank, Limited	Brisbane... ...	29
23	1874	Colonial Bank of New Zealand	Dunedin, N. Zea.	19
24	1878	City of Melbourne Bank, Limited	Melbourne ...	0
25	1878	Commercial Bank of South Australia ...	Adelaide... ...	10
26	—	Bank of Tasmania	Launceston (Tas.)	1
27	1881	Town and Country Bank (South Australia)	Adelaide... ...	0
28	1881	Sydney and County Bank	Sydney	0
		Total 7 English Banks	—	1,055
		21 Colonial Banks with Head Office in Colonies	—	21
		28		
		Total Banks and Branches ...	—	1,076

C (P. 2).

AT 31ST DECEMBER, 1881.

Method of Incorporation.	Paid-up Capital.	Reserve Funds.	Last Dividend.
	£	£	
Act of Council (N. S. W.) 1850, and Act of Par. S. Australia, Victoria, and New Zealand ...	1,000,000	500,000	15 % p. ann., and bonus 2½ %
Re-organised under Companies Statute, 1880	97,988	4,000	6 "
... ...	115,000	75,000	10 " and bonus 2½ %
Act of Council (N. S. W.) 1848	600,000	600,000	25 "
Royal Charter	1,200,000	307,710	12 "
Comp. Acts 1862 to 1879 (Eng.)	1,500,000	816,500	14 "
Royal Charter	800,000	250,000	10 "
Act of Legislative Council (West Australian)	50,000	50,000	16 "
Royal Charter	1,500,000	13,672	4 "
Act of Council (Victoria) ...	500,000	115,000	9 "
Royal Charter	1,000,000	80,000	6 "
Royal Charter	720,000	120,000	[illegible] "
Act of Council (N. S. Wales)...	500,000	185,000	10 " and bonus 2½ %
Act of Council (Victoria) ...	406,250	88,500	8 "
Acts of Par. (Vic. and S. Aus.) and Act of Council (W. Aus.)	800,000	297,500	12½ "
Act of General Assembly (N.Z.)	1,000,000	575,000	10 " and bonus 5 %
Act of Parliament (N. S. W.)	240,000	90,000	10 "
Act of Parliament (S. Australia)	400,000	145,000	8 "
Companies Statute, 1864 (Vic.)	350,000	45,000	8 "
Act of Par., 1873 (N. S. W.)...	300,000	116,894	9 "
Companies Acts, 1862 to 1879, and New Zealand Act, 1873	350,000	10,000	8 "
Comps. Act, 1863 (Queensland)	450,570	120,000	10 "
Act of General Assembly (N.Z.)	400,000	31,000	7 "
Companies Statute, 1864 (Vic.)	166,871	15,000	7 "
Act of Parliament (S. Aus.) ...	250,000	13,250	7½ "
... ...	36,350	10,323	7 "
Act of Parliament (S. Aus.) ...	50,000	—	Established November, 1881.
Companies Statute (N. S. W.)	20,102	—	Established July, 1881.
Total ... ... £	14,803,131	4,674,349	

APPENDIX D (p. 7).—SUMMARY OF BANK RETURNS

OF VICTORIA, NEW SOUTH WALES, NEW ZEALAND, SOUTH AUSTRALIA, QUEENSLAND, TASMANIA, AND WESTERN AUSTRALIA.

Compiled from the Sworn Averages for the Quarter ending 31st March, 1882.

LIABILITIES.

	Notes in Circulation not bearing interest.	Bills in circulation not bearing interest.	Balances due to other Banks.	Deposits not bearing interest.
	£	£	£	£
Victoria	1,469,786	62,386	249,520	7,749,851
New South Wales	1,582,805	58,819	470,533	8,864,412
New Zealand	967,789	61,480	52,215	4,336,176
South Australia	572,299	16,126	82,229	2,392,380
Queensland	418,587	12,734	235,455	1,973,706
Tasmania	149,689	10,136	11,353	—
Western Australia	24,073	1,870	2,933	177,317
Totals	5,185,028	223,551	1,104,238	25,493,842

	Deposits bearing interest.	Total Deposits.	Total amount of Liabilities.
	£	£	£
Victoria	14,194,615	21,944,466	23,726,158
New South Wales	12,762,771	21,627,183	23,739,342
New Zealand	* 4,905,529	9,241,705	10,323,192
South Australia	2,835,580	5,227,960	5,898,614
Queensland	2,844,746	4,818,452	5,485,231
Tasmania	—	† 2,683,376	2,854,557
Western Australia	257,049	434,366	463,245
Totals	37,800,290	65,977,508	72,490,339

* New Zealand.—This includes £699,888 Government deposits.

† Tasmania —In this Colony's Bank Returns, Deposits bearing interest are not distinguished from those not bearing interest.

ASSETS.

	Coined Gold and Silver, and other metals.	Gold and Silver in bullion or bars.	Landed Property.	Notes and Bills of other Banks.
	£	£	£	£
Victoria	2,528,370	304,216	910,806	150,906
New South Wales	3,157,069	75,568	626,325	94,073
New Zealand	1,754,207	160,723	357,083	43,826
South Australia	1,021,541	6,112	323,796	66,362
Queensland	970,650	90,179	220,128	11,905
Tasmania	533,839	—	44,181	—
Western Australia	116,501	—	13,995	3,031
Totals	10,082,177	636,798	2,496,314	370,104

	Balances due from other Banks.	All debts due to the Banks.*	Total amount of Assets.
	£	£	£
Victoria	390,161	† 23,693,177	27,977,638
New South Wales	3,853,476	‡ 21,653,637	29,460,149
New Zealand	37,586	§ 13,957,452	16,310,881
South Australia	169,854	¶ 7,280,675	8,868,337
Queensland	472,802	** 5,561,267	7,326,933
Tasmania	298,294	†† 1,919,836	2,796,154
Western Australia	30,323	‡‡ 494,077	657,930
Totals	5,252,496	74,560,121	93,398,022

* Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills, and balances due to the Banks from other Banks.

† Victoria.—Government securities (if any) held by the Banks are not separately distinguished in their returns.

‡ New South Wales.—This includes £1,645,755 Government securities.

§ New Zealand.—This includes £80,000 Government securities; notes and bills discounted, £4,214,080; debts due to the Banks, exclusive of debts abandoned as bad, £9,270,817; securities not included under other heads, £392,605

¶ South Australia.—This includes £55,000 Government securities.

** Queensland.—This includes £8,409 Government securities.

†† Tasmania.—This includes £153,900 Government securities; £56,330 agencies

‡‡ Western Australia.—This includes £5,200 public securities

APPENDIX E (p. 8).

BANKS IN VICTORIA, 31st December, 1881.

Not issuing Notes, and therefore exempt from publication of Quarterly Average Statements.

	Date of Balance Sheet.	Assets.	Liabilities.
Australian Deposit and Mortgage Bank, Limited...	31 Dec., 1881	342,731	214,173
Australian Economic Bank, Limited ...	31 Dec., 1881	86,172	41,777
Australian Freehold Banking Corporation, Limited	28 Feb., 1882	147,267	91,284
Ballarat Banking Company, Limited ...	31 Dec., 1881	278,046	175,221
Joint Stock Bank of Victoria, Limited	31 Dec., 1881	161,390	48,879
Land Credit Bank of Australasia, Limited...	31 Mar., 1882	99,925	57,989
Land Mortgage Bank of Victoria, Limited...	31 Dec., 1881	638,697	489,424
Melbourne Banking Corporation, Limited	30 Sept., 1881	265,808	163,811
Totals......	£	2,020,036	1,282,558

	Paid-up Capital.	Reserves.	Last Dividend.
Australian Deposit and Mortgage Bank, Limited...	116,338	5,000	8% per annum
Australian Economic Bank, Limited ...	41,427	......	7% " "
Australian Freehold Banking Corporation, Limited	45,444	7,700	10% " "
Ballarat Banking Company, Limited ...	75,000	22,000	10% " "
Joint Stock Bank of Victoria, Limited	100,000	12,500	Est. Sept., 1881
Land Credit Bank of Australasia, Limited...	37,813	2,500	7% per annum
Land Mortgage Bank of Victoria, Limited...	125,000	15,000	8% " "
Melbourne Banking Corporation, Limited...	100,000	......	In Liquidation
Totals......	641,022	64,700	

APPENDIX F (p. 8).

TEN YEARS' COMPARISON OF AGGREGATE BANKING STATISTICS

OF VICTORIA, NEW SOUTH WALES, NEW ZEALAND, SOUTH AUSTRALIA, QUEENSLAND, TASMANIA, AND WESTERN AUSTRALIA.

As published in the several Australian Colonies, for the quarters ended 31st December in each year. *Advances* include Government securities held. *Assets* and *Liabilities* are the totals given in the returns, reduced by the amounts stated to be *due by* and *due to* the banks *inter se*. The difference shows *Bank Capital Employed*.

NOTE.—The figures given below represent *millions* and *thousands* throughout: thus, 13,595 is to be read as 13,595,000, &c.

—	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1880.	1881.
VICTORIA.	£	£	£	£	£	£	£	£	£	£
Advances	13,595	15,833	16,517	17,853	19,138	22,493	22,430	20,717	18,039	22,783
Assets	18,120	19,624	20,153	21,912	23,576	25,871	25,828	25,153	22,880	26,837
Liabilities	13,930	13,813	13,196	15,192	16,239	17,923	17,447	17,570	19,259	22,571
Bank capital employed ...	4,190	5,811	6,237	6,720	7,337	7,948	8,381	7,582	3,620	4,265
N. S. WALES.										
Advances	8,726	9,713	10,685	12,482	13,627	16,069	17,030	17,110	17,210	20,935
Assets	12,053	12,013	13,622	15,296	16,777	19,046	19,768	20,475	21,367	25,096
Liabilities	10,184	11,315	12,972	14,797	16,011	17,521	17,938	19,055	19,195	21,899
Bank capital employed ...	1,869	698	690	499	760	1,525	1,830	1,419	2,172	3,197
NEW ZEALAND.										
Advances	4,060	6,592	8,408	9,084	10,917	11,364	14,529	12,872	11,310	13,287
Assets	5,779	8,406	10,512	11,287	11,936	13,848	16,825	15,354	13,834	15,619
Liabilities	4,733	5,818	6,472	7,144	7,079	8,737	10,438	8,570	10,007	9,873
Bank capital employed ...	1,046	2,588	4,040	4,143	4,857	5,111	6,387	6,783	3,827	5,745
SOUTH AUSTRALIA.										
Advances	2,761	3,504	4,024	4,317	4,749	5,444	6,151	6,179	5,598	6,796
Assets	3,506	4,284	4,669	5,090	5,679	6,289	6,998	7,093	7,123	8,355
Liabilities	2,013	2,633	2,625	3,196	3,769	3,954	3,873	3,467	4,790	5,483
Bank capital employed ...	1,493	1,651	2,044	1,894	1,910	2,335	3,125	3,625	2,332	2,872
QUEENSLAND.										
Advances	1,487	2,153	2,497	3,451	3,400	4,017	4,604	4,214	4,062	5,252
Assets	2,198	2,874	3,245	4,181	4,276	5,156	5,717	5,558	5,353	6,518
Liabilities	1,840	2,363	2,559	3,067	3,452	4,296	4,184	3,965	3,791	5,106
Bank capital employed ...	358	511	686	1,114	824	859	1,533	1,593	1,562	1,411
TASMANIA.										
Advances	892	987	1,197	1,245	1,357	1,516	1,648	1,747	1,521	1,798
Assets	1,168	1,272	1,490	1,532	1,654	1,855	2,015	2,099	2,141	2,407
Liabilities	827	963	1,218	1,389	1,583	1,858	2,001	2,116	2,249	2,744
Bank capital employed ...	341	309	272	143	71	—	14	—	—	—
WESTERN AUSTRALIA.										
Advances	—	—	—	—	—	—	—	407	403	486
Assets	—	—	—	—	—	—	—	514	584	620
Liabilities	—	—	—	—	—	—	—	376	334	396
Bank capital employed ...	—	—	—	—	—	—	—	138	199	223
TOTALS.										
Advances	31,521	38,884	43,328	48,432	52,288	60,906	66,395	62,843	58,146	71,340
Assets	42,824	48,473	53,731	59,298	63,898	72,068	77,158	75,735	73,235	85,454
Liabilities	33,527	36,905	39,762	44,785	48,133	54,293	55,882	54,746	59,629	68,075
Bank capital employed ...	9,297	11,568	13,969	14,513	15,765	17,775	21,276	21,005	13,606	17,378

APPENDIX G (P. 14).

GOLD COIN ISSUED FROM THE AUSTRALIAN BRANCHES OF THE ROYAL MINT.

From the date of their establishment to the 31st December, 1881.

	Number of Coins.		Total Value
	Sovereigns.	Half-Sovereigns.	£
Sydney Branch ... from 1855	44,692,500	4,289,000	46,837,000
Melbourne Branch „ 1872	18,660,600	287,000	18,804,100
	63,353,100	4,576,000	
Value ... ... £	63,353,100	2,288,000	65,641,100

APPENDIX H (P. 18).

EXAMPLE.—A draft for £100 on Melbourne will be 40 days reaching the colony, and 63 days maturing there; the proceeds will then be 40 days on the way back to England, and, being in the shape of a draft at 60 days' sight, will take another 63 days to mature, making a total loss of 206 days' interest, even assuming there has been no delay in waiting for the mail :

206 days' interest at 5 per cent.=	£2	16	5
Expenses—Cost of bank draft for return of proceeds (say)	0	10	0
Colonial stamp on English draft	0	2	0
Do. do. on draft remitted in return	0	2	0
English stamp on return draft	0	1	0
Cost to vendor £3 10*s.* per cent., instead of...	£3	11	5
Profit to bank in London	£3	10	0
Less expenses	0	15	0
Net	£2	15	0

or 1*s.* 5*d.* less than 5 per cent. per annum ; but as the bank for its own purposes can dispense with the return draft on London, it can save 3*s.* per cent. in stamps.

APPENDIX I (P. 22).

SCHEDULE OF BILL, CHEQUE, AND RECEIPT STAMPS CHARGEABLE IN THE AUSTRALIAN COLONIES.

Colony.	Bills of Exchange.	Drafts on Demand.	Cheques.	Receipts.
Victoria	2s. per cent.*	1d.	1d.	1d. for £5 and upwards.
New South Wales ...	1s. „ „†	1d.	1d.	2d. „ £2 „ „
Queensland	2s. „ „	1d.	1d.	1d. „ £1 „ „
New Zealand	2s. „ „	1d.	1d.	1d. „ £2 „ „
Tasmania	1s. „ „	1d.	1d.	1d. „ £2 „ „
South Australia ...	Nil.	Nil.	Nil.	Nil.
Western Australia ...	1s. 6d. p. cent.	1d.	1d.	Nil.

* Not more than £10 chargeable on any one bill or promissory note.

† Drafts "at sight" are chargeable with the *ad valorem* duty.

APPENDIX J (P. 23).

Colony of VICTORIA.

Excerpta from "*The Instruments and Securities Statute*, 1864."—
31 Vict., No. 313.

Sec. 3. (*Re* Lien on Wool).—"Possession of such wool by the said proprietor" (the lienor), "his executors or administrators, shall be to all intents and purposes in the law the possession of the person making such purchase or advancing such money, &c., &c."

"If the lienor, subsequent purchaser, mortgagee, incumbrancer, or other claimant or possessor, assignee, or execution creditor shall neglect or refuse to shear at the usual season, and deliver forthwith thereafter the wool of any stock" (liened) "it shall be lawful for the lienee to take possession of such stock for such purpose, &c."

* * * * *

(Form.)

LIEN ON WOOL.

In consideration of   *bonâ fide* value, which I admit to have received in [money *or* negotiable securities, *or* chattels, *or all or any of these, as the case may be*] from C. D. of   , I do hereby give the said C. D. a preferable lien (to the extent of the said sum and the interest and commission hereinafter mentioned) on the wool of the ensuing clip to be shorn from my flocks of sheep, consisting in number of   or thereabouts, and now depasturing at   , in Victoria, under the superintendence of   .

It is agreed that the said C. D. shall be entitled to interest at the rate of   per centum per annum from   , on the sum of   , and to a commission on such sum at the rate of   per centum. And it is further agreed that the said sheep shall be shorn by me, or at my expense, and that the wool thereof shall be delivered at   to the order of the said C. D. [*If the parties intend that the lienee should have power to sell, add the words*]: And that the said C. D. may sell all wool so delivered, and retain the expenses of sale and the moneys due to him on this security from the proceeds of sale.

Dated   day of   A.D. 18 .

(Signed)   A. B.

Witness

N.B.—*If the money, or negotiable security, or chattels advanced or supplied, be for the absolute purchase of the wool, instead of the words*—"to the extent of the said sum and the interest and commission hereinafter mentioned," *insert the words* "for the absolute purchase and whole value hereof."

* * * * *

APPENDIX K (p. 28).

Victoria.

Form of Certificate of Title to freehold property under the Transfer of Land Statute, 29 *Vict.*, *No.* 301. 1*st June*, 1866.

(A similar form is applicable to Leasehold Estate.)

* * * * *

Register Book.
Vol. Fol.

Victoria.

Certificate of Title.

A. B. of , is now the proprietor of an estate in fee simple subject to the encumbrances notified hereunder in All that piece of land delineated and coloured red on the map in the margin, containing acres roods and perches or thereabouts, being portion of Crown allotment , Section , parish county

Dated the day of one thousand eight hundred and .

(Seal of Office.) S.

Registrar of Titles.

Encumbrances referred to.

* * * * *

APPENDIX L. (p. 28).

Victoria.

Transfer of Land Statute, 29 *Vic.*, *No.* 301.

*   *   *   *   *

Form of Transfer of Freehold (*or Leasehold*) *Land.*

*   *   *   *   *

Victoria.

Transfer of Land.

I, A. B., being registered as the proprietor of an estate in fee simple in the land hereinafter described, subject to the encumbrances notified hereunder, in consideration of the sum of paid to me by C. D., Do HEREBY TRANSFER to the said C. D. all my estate and interest in ALL THAT piece of land, being Crown allotment , Section , parish county .

Dated the day of one thousand eight hundred .

Signed by the said A.B.

In the presence of

Signed by the said C. D.

In the presence of

[*If the transferred land be part only of the land comprised in the grant or existing certificate, set forth in links or feet the boundaries and refer to a map.*]

APPENDIX

AVERAGE AMOUNT OF ADVANCES OF THE BANKS OF ISSUE

SHOWING DISTRIBUTION OF

No.	Date Established	Name of Bank.	New South Wales.
			£
1	1817	Bank of New South Wales	4,754,808
2	1823	Bank of Van Dieman's Land (Limited)	...
3	1832	Commercial Bank (Tasmania)	...
4	1834	Commercial Banking Company of Sydney	5,662,068
5	1835	Bank of Australasia	1,166,506
6	1837	Union Bank of Australia (Limited)	1,307,308
7	1847	Bank of South Australia	...
8	1847	Western Australian Bank	...
9	1851	Oriental Bank Corporation	804,903
10	1852	Bank of Victoria	...
11	1852	London Chartered Bank of Australia	691,574
12	1852	English, Scottish and Australian Chartered Bank ...	1,359,830
13	1853	Australian Joint-Stock Bank	2,724,416
14	1856	Colonial Bank of Australasia	...
15	1858	National Bank of Australasia	...
16	1861	Bank of New Zealand	672,846
17	1864	City Bank (Sydney)	1,213,642
18	1865	Bank of Adelaide	...
19	1867	Commercial Bank of Australia (Limited)	...
20	1869	Mercantile Bank of Sydney	1,212,799
21	1872	National Bank of New Zealand (Limited)	...
22	1872	Queensland National Bank (Limited)	45,746
23	1874	Colonial Bank of New Zealand	...
24	1878	City of Melbourne Bank (Limited)	...
25	1878	Commercial Bank of South Australia	...
26	...	Bank of Tasmania...	...
27	1881	Town and Country Bank (South Australia)	...
28	1881	Sydney and County Bank	37,191
		Totals ... ... £	21,653,637

M (P. 30).

IN AUSTRALASIA FOR THE QUARTER ENDING 31ST MARCH, 1882.

BUSINESS IN THE SEVERAL COLONIES.

Victoria.	South Australia.	Western Australia.	Queensland.	Tasmania.	New Zealand.	Total—Australasia.	No.
£	£	£	£	£	£	£	
1,969,298	455,651	...	1,055,642	...	1,473,768	9,709,167	1
...	...	...	...	437,093	...	437,093	2
...	..	...	...	932,305	...	932,305	3
...	...	...	615,649	...	...	6,277,717	4
2,777,053	645,782	...	544,771	163,648	1,185,412	6,483,172	5
2,888,212	459,908	145,264	601,769	268,887	1,690,095	7,361,443	6
...	1,802,943	...	...	...	...	1,802,943	7
...	...	234,711	...	...	...	234,711	8
1,602,837	...	...	...	...	...	2,407,740	9
4,046,022	...	...	...	...	...	4,046,022	10
1,560,009	...	...	...	...	...	2,251,583	11
1,416,027	870,621	...	...	...	...	3,646,478	12
...	...	...	542,994	...	...	3,267,410	13
1,982,773	...	...	...	...	...	1,982,773	14
2,619,469	1,387,652	114,102	...	...	...	4,121,223	15
Not published	...	...	...	...	6,612,684	7,285,530	16
...	...	...	...	...	...	1,213,642	17
...	851,524	...	...	...	...	851,524	18
2,029,188	...	...	...	...	...	2,029,188	19
...	...	...	...	...	...	1,212,799	20
...	...	...	...	...	1,789,326	1,789,326	21
...	...	...	2,200,442	...	...	2,246,188	22
...	...	...	...	...	1,206,167	1,206,167	23
802,289	...	...	...	...	...	802,289	24
...	728,896	...	...	...	...	728,896	25
...	...	...	...	117,903	...	117,903	26
...	77,698	...	...	...	...	77,698	27
...	...	...	...	...	...	37,191	28
23,693,177	7,280,675	494,077	5,561,267	1,919,836	13,957,452	74,560,121	

APPENDIX

AVERAGE LIABILITIES OF THE BANKS OF ISSUE IN AUSTRALASIA FOR BUSINESS IN THE SEVERAL COLONIES, WITH THE AGGREGATE AMOUNT OF

No.	Date. Established.	Name of Bank.	New South Wales.	Victoria.
			£	£
1	1817	Bank of New South Wales	6,181,488	2,242,674
2	1823	Bank of Van Dieman's Land (Limited)	...	...
3	1832	Commercial Bank, (Tasmania)	...	...
4	1834	Commercial Banking Company of Sydney... ...	6,257,126	...
5	1835	Bank of Australasia	1,382,757	2,985,513
6	1837	Union Bank of Australia (Limited)	1,082,204	2,770,675
7	1847	Bank of South Australia	...	...
8	1847	Western Australian Bank	...	...
9	1851	Oriental Bank Corporation	802,883	1,314.231
10	1852	Bank of Victoria	...	4,039,553
11	1852	London Chartered Bank of Australia	467,594	1,869,200
12	1852	English, Scottish and Australian Chartered Bank...	1,200,647	1,306,460
13	1853	Australian Joint-Stock Bank...	2,922,055	...
14	1856	Colonial Bank of Australasia...	...	1,804,814
15	1858	National Bank of Australasia	...	2,511,398
16	1861	Bank of New Zealand...	481,617	Not published
17	1864	City Bank (Sydney)	1,211,690	...
18	1865	Bank of Adelaide	...	...
19	1867	Commercial Bank of Australia (Limited)	...	1,911,886
20	1869	Mercantile Bank of Sydney	1,012,668	...
21	1872	National Bank of New Zealand (Limited)... ...	...	...
22	1872	Queensland National Bank (Limited)	219,252	...
23	1874	Colonial Bank of New Zealand	...	...
24	1878	City of Melbourne Bank (Limited)	...	720,233
25	1878	Commercial Bank of South Australia	...	...
26	...	Bank of Tasmania	...	...
27	1881	Town and Country Bank (South Australia) ...	...	...
28	1881	Sydney and County Bank	46,827	...
		Totals ... ... £	23,268,808	23,476,637
		Proportion per £ of Coin and Bullion	2/9	2/5

N (P. 30).

THE QUARTER ENDING 31ST MARCH, 1882, SHEWING DISTRIBUTION OF COIN AND BULLION, AND ITS PROPORTION PER £ TO THE LIABILITIES.

South Australia.	Western Australia.	Queensland.	Tasmania.	New Zealand.	Total Australasia.	Coin & Bullion on hand.	Proportion per £ to Liabilities.	No.
£	£	£	£	£	£	£	s. d.	
393,612	...	1,016,735	...	920,295	10,754,804	1,904,855	3/7	1
...	...	...	393,648	...	393,648	58,667	3/-	2
...	...	...	1,265,547	...	1,265,547	218,512	3/5	3
...	...	391,566	...	...	6,648,692	834,102	2/6	4
671,201	...	328,671	424,442	658,798	6,451,382	1,030,261	3/2	5
348,815	101,316	343,548	638,272	1,868,798	7,153,628	1,308,430	3/8	6
950,406	...	...	...	...	950,406	180,713	3/10	7
...	195,456	...	...	...	195,456	26,557	2/9	8
...	...	...	...	...	2,117,114	215,503	2/1	9
...	...	...	...	...	4,039,553	359,640	1/9	10
...	...	...	...	...	2,336,794	320,342	2/9	11
801,955	...	...	...	...	3,309,062	360,159	2/2	12
...	...	870,055	...	...	3,792,110	644,053	3/5	13
...	...	...	...	...	1,804,814	197,858	2/2	14
1,426,146	163,540	...	...	...	4,101,084	551,767	2/8	15
...	...	...	...	5,008,217	5,489,834	741,931	2/8	16
...	...	...	...	...	1,211,690	176,707	2/11	17
576,164	...	...	...	...	576,164	134,792	4/8	18
...	...	...	...	...	1,911,886	201,632	2/1	19
...	...	...	...	...	1,012,668	63,404	1/3	20
...	...	...	...	952,346	952,346	234,883	4/11	21
...	...	2,299,202	...	...	2,518,454	573,873	4/7	22
...	...	...	...	862,524	862,524	162,162	3/9	23
...	...	...	...	...	720,233	31,012	-/10	24
582,293	...	...	...	...	582,293	62,597	2/2	25
...	...	...	121,295	...	121,295	46,196	7/8	26
65,793	...	...	...	...	65,793	41,875	12/8	27
...	...	...	...	...	46,827	36,457	15/6	28
5,816,385	460,312	5,249,777	2,843,204	10,270,978	71,386,101	10,718,940		
3/5	5/1	4/-	3/9	3/9	3/-			

Discussion on Mr. Brett's Paper.

Mr. Cork: We shall all agree that this is a most valuable paper on the history of Australasian Banking, and whoever treats the subject hereafter must certainly deal with this paper. I need hardly remind you that Mr. Brett has confined himself to the statistics of banking in Australasia, but that is a very limited view of the great importance of Australasian banking. The total assets, as given in the *Gazette*, to the 31st March, 1882, were £93,000,000; but I find that ten years ago the total assets were 25 per cent. more than the assets represented by the *Gazette* returns, that is to say, at least 25 per cent. of the assets of the Australasian Banks were held in London, or were *in transitu*; and making that allowance, it would bring up the figures of the assets to about £116,000,000. Another point Mr. Brett will excuse me for mentioning. The total amount of Government securities said to be held by the Australasian banks is £2,000,000. That, of course, represents the amount held by the banks in the colonies only, and not by the banks on this side as well as in Australasia. This question of the total liabilities and assets of the Australasian banks is a very important one, because it partly represents the trade between this country and those colonies, and that trade is a very large one indeed. There is no community that exports so much per head, or imports so much per head, as the Australasian community. Speaking roundly, they import all their manufactured goods and luxuries, and export the commodities which are worked up here. The exports and imports with the United Kingdom amount to about £45,000,000 annually, and as the whole of that vast trade is done by exchange operations with the Australasian banks, the importance of the banks can hardly be exaggerated. In addition to this, the Australasian banks have to finance the exchanges for the indebtedness of Australasia for all the tea consumed from China, and the thousand and one articles exported from the United States to Australia. All these matters are paid for in London by the Australasian banks here. This brings me to the point, mentioned on page 19 of the paper, as to the very large amount of money now being remitted constantly from Australasia to London by telegraph, and the suggestion made that the Australasian banks should arrange to give their acceptances to parties on this side to avoid the inconvenience of having to pay cash here. But I do not think Mr. Brett, on reconsideration, will urge such a proposal. You are aware that bankers of the United Kingdom have an objection to give their acceptances to Inland Bills, and bankers will not give their acceptances to home-drawn Commercial Bills; and if the Australasian banks give their acceptances to merchants on this side, I think the practice would be fraught with great danger and manifold evils. Experienced bankers would oppose such a proposal. It is true that merchants have come to consider that they can have money at both

ends at the same time, but, as bankers know, that is not practicable; and, therefore, it is incumbent on bankers who do business by telegraph, to keep sufficient money at this end to meet their requirements. If this business is to be carried on, it must be at the expense of those to whom the accommodation is given. It is not reasonable to suppose that the Australasian banks holding large sums of money here, for which they give high rates of interest, can keep the money here and lend it out at 2½ per cent. in London. That would be a very losing game. It is absolutely necessary, therefore, that such exchange rates should be charged for telegraphic remittances as will pay the Australasian banks to keep these large reserves in London, and that is the only sound basis upon which such business can be conducted. I would like to ask whether Torrens' Act extends throughout the entire colony.

Mr. Brett: The Act has been adopted now by all the Australasian colonies, and applies to the whole of the land of the colonies.

Mr. Edward Chapman: Having been resident for some twenty-five years in New South Wales, and connected with one of its banks as a director, I can bear my testimony to the masterly character of the paper Mr. Brett has given us, which, indeed, is so true that I fancy I have been living over those twenty-five years again while listening to it. The trade with Australasia has been referred to by Mr. Cork as £45,000,000 annually, but that is only from one side. I feel sure the total trade of the Australasian colonies approaches £100,000,000. These colonies rank in their total trade something like one-sixth among the nations of the world at the present moment. I have, myself, seen the growth of this trade. I remember the colonies when the gold fever broke out, and a few years subsequently, in 1854, being then resident in Sydney, our communications with the old country was almost represented by a single line of ships of about 400 tons register arriving at long, uncertain intervals, and now we have steamers of 5,000 tons leaving this country for Australasia almost every week. This shows a stupendous advance; indeed, I believe there is hardly a family in this country which has not some interest in Australasia, directly or indirectly. I have seen such astounding progress in the Colonies during the last thirty years, especially during the past ten, that I confidently expect, even in the near future, such further development as may seem to strangers merely delightful dreaming; but to me who have lived in and known the Colony so long and well, I feel assured the expansion will far exceed the picture of the most enthusiastic speculators. Early in this interesting paper Mr. Brett expressed a hope that "at a not very remote date there might be some confederation of all the Colonies." I think it is most important that we all quite understand what we mean by this word "confederation," and the subjects and terms upon which we are intended to confederate. If it be meant for purposes of mutual defence, against aggression

from without—for the best and most rapid communication with the rest of the world by steam, telegraphs, and so forth—for coast lighting—for a grand trunk railway in the centre of the Continent—for mutual surrender of criminals—for, indeed, the freest communication and trade with each and all the Colonies—for all such confederation I am an earnest advocate. But if confederation means the adoption within all the Colonies of the suicidal destructive protective tariff of Victoria, instead of the Free Trade tariff of New South Wales—a "Customs union"—against which I fought some fifteen years ago, whilst a member of the Sydney Chamber of Commerce—to all such confederation I am most resolutely opposed. Free trade within the Colonies, with a Victorian tariff, means protection against the rest of the world; and seeing the gigantic advances New South Wales has made, and is making under her Free Trade policy, I rejoice at having resisted such confederation then, and see an evidence of the wisdom of this course in that Colony's relatively greater prosperity every day. Mr. Brett has very properly referred to the interesting production of fine merino wool in the Colonies, in connection with Australasian Banking. The expansion of that industry is truly marvellous. I can well remember, it seems but a few years ago, when some 40,000 bales of wool had accumulated for a May series of sales. Some growers, friends of mine, then in England, were in positive tribulation at that enormous quantity, feeling sure they had overrun the demand and consumption. We have since seen over 400,000 bales, ten times the dreaded quantity, offered at subsequent May sales, and taken off too, at full profitable prices, by eager buyers. It may not be uninteresting to note that at the present date the annual import of Australian merino wool into this country is considerably over 1,000,000 bales, representing a sterling value exceeding £20,000,000, and in weight (irrespective of value) more than twice the number of lbs. of the entire product of the United Kingdom. Reference was also made by Mr. Brett to the registration of Titles to Land, introduced by Sir Robert Torrens, in South Australia. It would ill become me to say one word in detraction of the genius of that gentleman in the conception of that important and very excellent measure; but it is interesting to bear in mind that the colony of South Australia was the most favourable that could exist for the application of the principles of that Act. It was almost the youngest colony of the group; the titles there, especially at that date, were of the most simple character, quite modern—a grant direct from the Crown to a first owners, or second at most—and, therefore, the registration of such Titles was a very simple matter. The common sense of the people saw and approved the idea. It became law, and has worked with unmixed success ever since. Then it spread to all the older colonies. When the idea was broached in New South Wales, the legal profession offered a feeble resistance, stating that in

our older colony the titles were too complex, and the system, suitable enough in South Australia, was not workable in New South Wales. But the people there also, with the success of their sister colony before them, overbore all opposition; the "Lands Title Act" became law, and it has worked with the utmost smoothness and success from that time till now. The growth of Banking in Australasia, as shewn by Mr. Brett's figures, has been extraordinary. Its immunity from banking failures is also worth noting, reflecting the highest credit, in my opinion, on the bankers themselves, as on the colonists in general. With the exception of the failure of the Royal Bank of Australia, in the very earliest inexperienced days of Australasian banking, I do not remember a failure of any bank of standing or position. I attribute this success to good management on the part of those immediately responsible; also to the great wealth and ever increasing prosperity of the people: the property there and securities generally having a tendency to improve in value rather than deteriorate; and to the usual steadiness of values of exported products, and their readiness of sale and conversion in the home markets. In the colonies there is also an intimate knowledge of the standing and position of a Bank's customer, for local weaknesses soon get known and provided against. The entire freedom from panics and great commercial disasters, is the more remarkable, inasmuch as most operations are done on credit rather than cash principles. Something, too, is due to the general elasticity and energy of the people, under the influence of the bright Australian climate. These and other causes will account for the uniform success and prosperity of Australian Banks, institutions, which, speaking generally, rank amongst the soundest and best managed in the world.

Mr. Butt: Mr. Brett's interesting paper will be welcome to this Institute as it serves to direct a closer attention to the remarkable progress of the Australasian Colonies. Banking in Australia differs in many respects from the practice at home, and many instances are cited in the paper before us. In connection with the history of banking legislation in New South Wales it is curious to notice that a bill was brought into the Council by Mr. Wentworth, in 1844, and passed in the following year "To enable the Bank of Australia to dispose of certain real and personal property by lottery," a most unusual thing in the history of banking. The first prize in the lottery was an estate of 8,320 acres of land, with improvements, 3,700 head of cattle, and 40 horses. This Bank of Australia (which, by the way, is not to be confounded with the Bank of Australasia) had a rather chequered existence from its establishment in 1826 until its failure in 1848. Whether the failure was in any way to be attributed to this lottery I am not able to state. Mr. Brett has had the advantage of personally observing the practice of banking in the colonies, and many instances are given showing the difference in practice in

Australia and at home. He refers to pastoral advances, and to advances on growing crops of wool, which, in fact, are little understood here, but which have afforded considerable profits to the banks, whilst materially assisting in the development of the country. The appendices to the paper are extremely valuable and speak for themselves. In appendix C is given a list of the Australian Banks of Issue, and prominent amongst them is one that occupies the proud position of having its Reserve Fund equal to the amount of its paid-up capital.

Mr. SELBY: I would only make one remark. I would call your attention to the example which the Australian Banks afford of the advantage of comparative freedom in banking. The banks in Australia are restricted only by the necessity of publishing returns. A bank is required to hold its own reserve against its issue, and the result is shown not only in the freedom from panic, but also in a general steadiness of rates of interest, and a very great development of banking facilities. As I have recently come from Australia, where I have had a long experience of banking, I cannot abstain from adding my testimony to the extreme accuracy of Mr. Brett's paper.

Mr. J. H. TRITTON: I only rise to make two observations, and to ask a question. My observations are prompted by the remark of the last speaker, and a paragraph in the paper which shows that in Australia—that country *par excellence* of gold—the gold circulation is at a minimum; the £1 or other notes having had the usual effect of driving out the gold as has obtained in Scotland also. One feature illustrating the remarkable growth of the colony has lately come to my notice. At Hamburgh, Antwerp, and Havre, lines of steamers have been put on direct to the Australian colonies, and these have succeeded in obtaining a large amount of cargo direct from the Continent, and *vice versâ*. I would like to ask Mr. Brett whether the fact of developing the continental trade to the exclusion of purely English trade, is likely to alter the financial arrangements which he has noted, and under which all settlements take place in London.

MR. A. GILLETT: The remarks of Mr. Tritton remind me of a conversation I had a few months ago, when travelling abroad, with several merchants trading in different parts of the world. They told me that the settlements in London were more easily effected than anywhere else, because drafts on London could be negotiated so very much better than drafts on any other part of the world. It would be interesting if Mr. Brett could give us any statistics as to the percentage which the modern method of payment by telegraph has reached, compared with the former method of remittances by bills.

MR. JOHN N. BOYD: From the largeness of the subject, Mr. Brett has been obliged, necessarily, to leave many points untouched, and there are many gentlemen present who could supplement it and give information as to details. There is only one point I specially

desire to refer to, seeing no one else has done so, and that is to the example of an exchange operation as given in Appendix (H). In the first part 10*s.* per cent. is taken as the cost of a sixty days' sight draft on London; this is an exceptionally favourable rate and likely to be misleading; while in the second part, showing the estimated profit to the bank, it is certainly so, for the calculation must not be based on the rate for good paper remittances, which are not always to be had in sufficient quantity, but on a specie basis which at once raises the cost by 10*s.* to 15*s.* per cent., and *pro tanto* lessens the profit to the bank.

Mr. Brett, in reply: I am, of course, aware that I have simply touched upon the borders of a large and important subject, but the limited space at my disposal and a due regard to the time you are accustomed to devote to these meetings, have compelled me to pass over many points of interest. With regard to the remarks of Mr. Cork I readily admit the debatable nature of the proposal for dealing with "cable transfers," but the subject has to be confronted, and the fact recognized that the old-established principles of foreign exchange business are completely subverted by the modern method of drawing *on demand* through the medium of the electric telegraph. Formerly, it was the practice for the foreign banks, such as those in India and Australia, to make up their exchange accounts for each mail, so that the remittances would balance the drafts; but as postal facilities have been multiplied, this business has assumed more of the character of a continuous and running account. Of course, it was at all times possible for a merchant or banker to trade, so to speak, on the currency of his draft, as several mails would leave between the period of its issue and the date of its maturity, and he might avail himself of those intermediate opportunities for remitting the cover which he had not provided in the first instance. With the Australian usance of 60 days' sight, there has not been much room, if there has been any inclination thus to conduct exchange business; and where the usance, as in India, has been from four to six months' sight, the custom has been to draw, at such a term, upon *another bank* in London, and thus the legitimate character of the operation has been fully assured. For my own part, I am not aware of any "abuses" which could creep into the proposed treatment of cable transfers which are not practicable under the ordinary system of exchange business, and I am quite unable to share Mr. Cork's apprehensions on the subject, or to conceive it possible that any of the Australian Banks could or would resort to "kite flying" under the guise of honouring cable transfers. I have stated in the paper why I have dealt exclusively with the banking figures published in the colonies. I can only repeat that it is impossible to fit those figures into the general balance sheets of the several banks, with any approach to accuracy, and I have too much respect for statistics to base them upon mere conjecture or assumption. Indeed I have not pretended to do more in this direction than to

submit a few figures to be studied at leisure by more skilful statisticians than myself. The question of exports and imports is too large a one to enter upon here, but I am glad to have the testimony of Mr. Chapman to the general integrity of my remarks. In the original draft of my paper I had written an account of the failure of the Bank of Australia and the lottery scheme to which Mr. Butt has referred, but I was compelled by the exigencies of space to excise it. The Bank in question commenced business in Sydney in 1826, and after 15 years of apparent prosperity, its failure made it "a frightful example" of unsound banking, and greatly aggravated the commercial crisis of 1843. The bank's own capital was £222,000, and at the time of its collapse its balance sheet exhibited liabilities to the public to the amount of nearly a quarter of a million, whereof £115,000 was payable on demand; whilst the cash in hand amounted to £4,860. At this juncture the Bank of Australasia advanced the Bank of Australia £150,000 upon a promissory note at twelve months' date, and the Union Bank of Australia also rendered assistance by re-discounting bills to the amount of £60,000. During the currency of the promissory note, it occurred to some of the Shareholders of the Bank of Australia that they could repudiate the promissory note on the ground that their Chairman had exceeded his powers in signing it. This contention was upheld by the Colonial Courts, but the Privy Council, on appeal, reversed the decision, and the Bank of Australasia recovered its money. The eccentric legislative Act of Council, authorising the realisation of the Bank of Australia's assets, by lottery, never received the Royal assent, but it was acted upon, nevertheless, and a Scotch labourer, by drawing the first prize, became the owner of a fine and well-stocked estate for the sum of £4. Some remarks have been made as to the paper circulation being preferred to gold, and a comparison has been made with Scotland. I would like to remark that, in comparisons of population, and with regard to fiscal burdens and banking and other statistics, there is a vast difference to be recognised in comparing Australia with other countries, and that is the different state of the population as a whole. In Australia there is no abject poverty such as we, unfortunately, see in England. All classes, including the working classes, are comparatively well-to-do. The climate is such that but little clothing is required, and nobody need starve with cold or die for want of food. In this respect the Australian Colonies compare favourably with those of British North America. I do not think the increase of tonnage from Australia to foreign ports, which has attracted the attention of Mr. Tritton, has, thus far, resulted in any important diversion of exchange business from England. The rule certainly is such as I have stated it in the paper, but there is, perhaps, an exception which may be noted to prove the rule. I refer to the possible operations of the "Comptoir d'Escompte." This company has lately established agencies in Melbourne and Sydney,

and having a French domicile, it is doubtless in a position to negotiate bills drawn upon France in the currency of that country, where the operation may be concluded. In arriving, by whatever process, at the fair equivalent of such a draft in the sterling money which would have to be paid for it, they may be able to eliminate from the calculation the profit or loss, as the case may be, of transferring their money from Paris to London. But for all practical purposes I imagine they will find it more convenient to their clients, if not to themselves, to negotiate drafts on England, at the recognised exchange of the day, instead of complicating the transaction by a conversion of value into foreign money of which the ratio is continually changing. It must be remembered that there are no direct exchanges between Australia and any foreign country, and therefore if a person in New York, for instance, were so ill-advised as to draw a Bill on Melbourne for so many "dollars," there would be no means of ascertaining the exact amount of sterling money which the payee could justly demand, or the drawee could be compelled to pay. A similar difficulty would arise if a Banker in Australia were asked to negotiate a bill upon any foreign country, assuming it to be drawn according to mercantile usage, in the currency of that country, and hence I am inclined to believe that the exports from Australia will still be financed by means of exchange on England, whatever may be the destination of the goods, or the nationality of the vessel in which they are carried. I am unable to supply Mr. Gillett with any information as to the proportion of Australian exchange business now carried on by means of cable transfers, but I do not think the ordinary course of remitting by drafts at 60 days' sight has been very much affected, because the costly character of an ordinary remittance by telegraph renders a resort to that method of financing, only suitable to unforeseen emergencies. In conclusion, I beg leave to thank you, very heartily, for the marked attention you have bestowed upon my paper, and for the very flattering terms in which you have been good enough to reward my efforts. There is just one moral which I may be allowed to draw from the facts placed before you, and it is this:—The Directors of the Anglo-Australian Banks are greatly mistaken if they imagine that banking business in the Colonies can and must be conducted as it is in Lombard Street. The Directors of the Colonial Banks—which outnumber those institutions by three to one—are trammelled by no such dogma, and it is with the Colonial Banks, and their immense local influence, that the English Banks have to compete.

The PRESIDENT (Sir John Lubbock): Gentlemen, or rather I should say, ladies and gentlemen, for I am happy to say we are honoured this evening with the presence of several ladies, and I am sure they are very welcome here, I think you will hardly concur with Mr. Brett that his paper is one of inordinate length, considering

that it is not only a history of the development of banking in Australia, but that it gives also very interesting information in regard to the development of the trade of Australia. It is rather a matter for surprise that he has contrived to keep it within such narrow limits. The meeting is to be congratulated on having the presence of several gentlemen who are amongst the heads of the banking profession as regards Australia, and who are better acquainted with it than anyone else, and upon the interesting and valuable remarks we have received from several of them. We must all feel, notwithstanding the one disaster which has been alluded to, that the development and management of the Australian banks has been very creditable from the commencement. Although the rapid development of Australia is due to a great extent to its own resources it is very much also to be accounted for by the prudent and cautious manner in which its banking institutions have been managed. We have to tender our thanks to Mr. Brett for his paper.

PROCEEDINGS OF THE AMERICAN BANKERS' ASSOCIATION.*

IN holding their last Annual Convention (on the 16th and 17th August) at Saratoga Springs, the American Bankers were probably able to give a pleasant surrounding to their deliberations. But however agreeable the accessories may have been, they did not interfere with their proceedings. The earnestness and ability which always characterize this gathering are again apparent, and again is manifest the same desire, as in previous conventions, to define the true relationship of the profession in which its members are engaged with the every-day operations of the world around them, and the influence which they should exercise upon it. The addresses naturally touch upon many subjects, such as the Regulation of Commercial paper, and the evils flowing from the varying State laws in regard to it; Clearings and what they teach; the Financial situation and the dangers of the future, and many others, which, though possessing a chief interest for Americans, have, nevertheless, an interest for the English reader also; but probably the subjects on which the opinions expressed at this Convention will be most sought for here, are those which refer to the silver question. This was very soon reached by the President of the Association, Mr. George S. Coe, of New York, in his introductory address. In

* Published by the Bankers' Publishing Association, 247, Broadway, New York.

leading his hearers to consider "some of the facts and principles that vitally concern our near financial future," he says :—

"As the basis of all business in this country, we now have two qualities of National coined dollars, the one widely differing in commercial value from the other, yet both equally a legal tender for debts and a measure of trade, while they are not exchangeable, the one for the other, at the Government Treasury that issues them both as standard money. We have also four forms or descriptions of paper currency, viz., Government Notes, Bank Notes, Gold Certificates and Silver Certificates. *Three* of these are redeemable *at present* in gold dollars, and *one* exclusively in silver dollars. These weights and measures of varied inherent capacity or power are now working side by side in practical business, and among an intelligent people, not because two things, while greatly differing in value from each other, can possibly each be equal to a third thing in trade, but simply because the country is for the time being rich enough to supply a sufficient sum of the superior measure to perform all the offices of trade and commerce, and the inferior is not yet, as it may soon be, overwhelming in amount."

and again :—

"A single bad harvest, with the continuance of the present compulsory coinage and the rapid accumulation of inferior silver dollars in the Treasury, would precipitate this Nation irrecoverably into the lower standard of value, and most seriously impair our present superior power and commercial independence among the nations of the world. From any point of view at which, as practical men, we can view this question of compulsory coinage or currency, it seems nothing less than a gratuitous, unnecessary and self-imposed infliction upon the business of the country, an obstacle to its commerce and trade, in every way unfair in its practical operation."

This is pretty plain speaking, and it seems to have expressed the feeling of the meeting. On the international aspect of the question a few words were spoken by Mr. S. Dana Horton, than whom few are in a better position to form an opinion, though many, at least in England, will decline to accept his conclusions.

Mr. Horton, after remarking that the monetary question, in its international aspect, had been very little discussed in public in the United States, which was due, in a measure, to the fact that the Act of Congress of 28th February, 1878, which called the first International Monetary Conference for concurrent action of the nations with reference to both silver and gold, transferred the scene of debate to Europe, proceeds to say :—

"Our proposition not to coin unlimited silver, which people in Europe had been expecting we would do—because we had Nevada—I say our refusal to coin silver freely and our proposition that the various nations of the world should come together and settle this matter upon terms advantageous to all parties, forced the question upon Europe. It was this refusal to coin silver without limit which substantially compelled Germany to recognise that although she had tried to demonetize silver, she could not profitably carry out the plan to the end, and she ceased selling silver in the year 1879. The matter has therefore naturally been discussed in Europe very widely, but it has not been discussed so fully in this country. Suffice it, therefore, for me to speak in general terms, and to say that, as your President has already stated, the matter is going on in Europe, is under discussion in Europe, and that a marked degree of progress is making toward an agreement among leaders of public opinion in favour of the policy instituted in 1878 by the Government of the United States. I may say, indeed, that the basis

is being laid for an accord with reference to that policy, both in Germany and in England. There has been an active, energetic, well-directed, able agitation of this whole matter going on in both countries, and the original obstacle to the acceptance by Europe of the proposition made by the United States in 1878, viz., the dogmatic opposition of the expert scientific advisers of the various governments is fading away, so that you can count upon your fingers the number of professors of political economy in Europe who strongly maintain as the orthodox views of science to-day what six years ago almost every chair of political economy was made the seat of, so far as this question was concerned."

* * * * *

"I have confidence, therefore, that the same movement will be observed in this country so soon as the matter is more fully agitated. This agitation is coming, because the question of suspending the coinage of silver must come up in time. It was expected to come up last winter, it is expected this winter, and it must be settled sometime. I may be allowed to state that, so far as the opinions of which I have been hitherto a spokesman are concerned, those of us, both in Europe and in America, who have long laboured to bring about a change in opinion there in favour of con-current coinage of silver in Europe and America, are tolerably unanimous in sustaining the policy of suspending the coinage of silver here [Applause]. But we do not believe in it in the sense of retracting—of receding from the offer which the United States has made to Europe. Our country has said to Europe: "If you will come together with us and do your full share in this matter, we will do ours." That is what we have said to them. I hope, therefore, that when measures are adopted for a suspension of the coinage of silver, which must come in time, unless practical action is taken in Europe for the resumption of silver coinage there, it will be done in that spirit, and not in the spirit of receding from a policy which has done the country honour, and will do it honour always."

Mr. Dana Horton's enthusiastic disposition carries him along rapidly. That something must be done in regard to the Silver question in the United States seems clear to every one, but his assertions in regard to the "expert scientific advisers" of the various governments, and the fading away of their "dogmatic opposition" are not so clear.

Perhaps the subject dwelt upon by the Convention, which stands next in interest on this side of the Atlantic, is the Bank Note question, and the basis on which notes are ultimately to be issued. This subject, which is forced into prominence by the shrinking of the Government Debt, was dwelt upon by the President and other members. Mr. Coe starts with the dictum that the popular conception of the business of Bankers, viz., that it is "dealing in money," is entirely erroneous. "Their more important service is performed in facilitating the distribution of the results of labour throughout the country and the world; in dividing and promoting the endless variety of exchanges of one commodity for another, which make up the wealth of human society." Thus "the soundest and most useful assets of a bank or banker do not consist of money, but of the money's worth of exchangeable commodities dealt in or required by the population in which the bank is located." The idea thus expressed naturally expands itself, and leads ultimately to the following remarks:—

"While the world's greater commerce thus moves on unchallenged and uninterrupted by means of paper instruments, as we have described, it seems idle to say

that the smaller medium, called notes, which commerce would also create and protect by the force of its own natural development, is not the best that is possible, or that such a paper circulation, if used at all, cannot be adequately regulated by law, or that industry and human society, having invariably reached its culmination in that general direction, must then turn back in order to provide a safe circulating paper medium for smaller transactions, must so far empty itself of the stores of exchangeable wealth in possession of its banking reserves and necessary to the healthiest activity, and exchange them for a public debt in some form, in order that these very paper instruments may be adequately protected. . . . . Instruments so created, and based upon debt, are not the evidence of things existing, but of capital expended. Debt expresses poverty; the *absence*, not the *presence*, of the value certified by the instrument. A currency of a country should be based directly upon the property of the country, not upon its debts. *Upon what it has, not upon what it owes.* Taking into consideration all the chances of human frailty, it may confidently be asserted that a safer, more natural and healthier system of circulating notes can be provided by a few simple and practicable legal restraints, through the security that commerce creates for its greater transactions, than through any form of public debt.

* * * * *

"Thus would it (the currency) be made at the place where, and at the time when, existing products are to be moved; would coincide with them in amount, and it would be redeemed and retired by the proceeds of those products after they have reached the market and been converted into money value. Quantity would be regulated by the property conveyed, and quality secured by the fact that redemption and withdrawal would be vigorously exacted by the facilities and competitions of modern business."

These views were echoed by other speakers though in different words. They are not unknown in England, where the theory that property of all kinds is money, carried into practice, as far as it was possible to do so by financial and other agencies was mainly responsible for the panic of 1866. Mr. Coe may not have carried his views so far as other speakers, but this doctrine of money, and the cry for an elastic currency, or, in plain language, for some substitute for money—when over-trading or extravagant living has driven away the only true money from the country—finds a not infrequent place in the addresses.

The resolutions to which the Convention came, were, however, of a very practical character. Two of them were as follows:—

Resolution No. 2.—"*Whereas*, The Banks of the United States lose large sums annually by loans made on accommodation and commercial uncollateral paper, for the reason often of their total ignorance of the borrower's liability to other banks; therefore, be it *Resolved*, That the Executive Council be and are hereby requested to formulate and suggest some system by which there will be an interchange of information between the banks of the country through the several Clearing Houses by which this, at present, unavoidable ignorance concerning the indebtedness of the money borrowers may be remedied, and report on the same at the next annual meeting of this Association."

Resolution No. 5.—"*Resolved*, That the Executive Council be and they are hereby requested to enquire and report how far it is practicable and expedient to procure a listing and rating of the bonds and other obligations of cities, counties and towns, under the sanction of this Association in the City of New York, accompanied by evidence of the facts necessary to the formation of an intelligent judgment upon the legal validity and practical value of such bonds and obligations."

MR. GIFFEN'S INAUGURAL ADDRESS AT THE STATISTICAL SOCIETY.

In "pointing out some of the uses to society of the more common figures of statistics," Mr. Giffen has delivered a striking address. The figures he deals with are those regarding population—those statistics which are collected more systematically and by a larger number of nations than any others, and with which the world is most familiar. By a masterly disposition of these figures he shows at a glance how, by the changes which they represent, many questions of the greatest political importance have either settled themselves, or resolved themselves into new forms; and then, by estimating the future from the past, and placing the results side by side with the world's capacity for supporting population, he presents "problems for politicians and philosophers to consider," at which the mind fairly stands aghast. He is happy in selecting a subject which, dealing with the whole world and its habitable acres, contains an element of finality and completeness, and in regard to which statistics can give some form and substance to those hazy thoughts which most people possess.

The following table expresses a great deal within a small compass:—

	1815.		1880.	
	Population in Millions.	Per Cent. of Total.	Population in Millions.	Per Cent. of Total.
Russia in Europe.........	48	33	80*	34
Germany†	21	14½	45	19
Austria-Hungary	28	20	38	16
France	29	20½	37	16
United Kingdom.........	17	12	35	15
Total..............	143	100	235	100

These "easy figures of population" explain, Mr. Giffen thinks, many of the political changes which have occurred within the period

* The exact figure by the last census is 84 millions, but I have preferred to be a little under the mark so as to allow a little for more exact enumeration in the later censuses. For the present purpose the difference between 80 and 84 is immaterial.

† Germany was also much divided in 1815.

covered by them. The restlessness of Russia in view of the addition of more than thirty millions to her family; the altered conditions of Germany, Austria, and France, and their relative positions one to another—all changes familiar to the most superficial politicians, stand revealed in these simple statistics. Mr. Giffen, indeed, seems almost to imply that popular opinion is in a measure swayed by a vague but intuitive knowledge of statistical facts. Speaking in regard to Ireland, he says:—

"Every one must have been struck, during the last few years, by the calmness of the country generally in presence of Irish agitation, and the evident hopelessness of any insurrection arising out of that agitation. When Mr. Parnell and other Irish Members were arrested in October last year, and the Land League suppressed, there was hardly even a fractional fall in consols. Forty, fifty, eighty years ago, things were entirely different, the Irish difficulty being incessantly spoken of as most menacing, which indeed it was. The present calmness and the former apprehension are obviously due very much to a mere change in population numbers. Ireland, at the beginning of the century, held about one-third of the population of the United Kingdom; as late as 1840 it still held very nearly one-third; now its population is only one-seventh."

But it is in regard to the future that Mr. Giffen's figures are suggestive, and in attributing to a critic the remark that "problems like these are only making us uncomfortable before the time," he accurately defines the feelings with which many will regard his essay. Turning to India, where the "Roman peace" we have established appears to be effective in removing many obstacles to the growth of population which formerly existed, it is seen that its 1,400,000 square miles of territory contain a population of 240 millions, or about 170 to the square mile: "not an excessive proportion according to formal comparisons with other countries, but in reality leaving the people no margin." There does not appear to be much new and fertile land to appropriate, and of that now in cultivation some is becoming exhausted. But the population is steadily increasing at the rate of 1 per cent. every year. In ten years there will be 20 millions more people to feed; in twenty years 40 millions, and so on. He says:—

"Failing any speedy alteration in the character of the people, the prospect seems inevitably to be that in India from decade to decade larger and larger masses of the semi-pauperised or wholly pauperised, the landless classes as Sir James Caird calls them in the Famine Commission report, will grow up, requiring State subventions to feed them, and threatening all attempts to reform Indian finance, whilst raising social and political difficulties of the most dangerous kind."

If statistics bring to light and set out coming difficulties in regard to India, they point no less to future anxieties in the case of the United States. Broadly stated, we have here a vast region of about 2 million square miles capable of cultivation, (after putting aside 1 million as sterile or rainless), populated at present by only about 50 millions of people. But it is the rate of increase of this population, aided as it is by the emigration from the older overloaded countries of the world, that gives cause for anxiety. This

population, which in 1780 was 3 millions and is now 50 millions, has doubled itself every twenty-five years within that period. Should this rate continue, the population in another twenty-five years will be 100 millions, in fifty years 200 millions, in seventy-five years 400 millions, and at the end of a century 800 millions. Of course it must not be supposed that these figures are given as pointing to infallible results. It is even suggested that deterrent causes may keep the population of the United States at the end of a century within 400 millions: but, taken any way, such figures are fairly bewildering in their probable consequences.

Mr. Giffen takes several methods to show how the available space is being gradually occupied, and for this purpose subdivides the land into three groups—the first consisting of the thirteen original States; the second of the twelve Western and Southern States; and the third group, of the remaining Western and Pacific States and territories. In one table he shows that whilst the first two groups have nearly their whole area taken for settlement, the third has some 1,400,000 square miles still free; but of this, Mr. Porter, a well-known American statistician, estimates that only a tithe will even be available for cultivation. Still retaining the same three groups, he shows, in the following concise table, the gradual increase in the density of the population throughout the States:—

Date.	First Group.		Second Group.		Third Group.	
	Population.	Average Density (Persons to a Square Mile).	Population.	Average Density (Persons to a Square Mile).	Population.	Average Density (Persons to a Square Mile).
1790	3,819,846	17·0	109,368	7·2	—	—
1800	4,922,070	18·5	386,413	9·8	—	—
'10	6,161,566	20·6	1,078,315	9·8	—	—
'20	7,417,432	23·8	2,216,390	11·3	—	—
'30	9,158,721	26·3	3,707,299	13·1	—	—
'40	10,638,004	30·1	6,357,392	14·5	74,057	4·7
'50	13,218,496	36·7	9,078,288	18·4	895,092	7·1
'60	15,818,547	43·8	12,637,882	24·3	2,986,892	9·5
'70	17,964,592	50·1	15,594,721	29·5	4,999,058	12·9
'80	21,835,111	60·3	19,656,666	35·1	8,664,006	13·4

It is not, however, only the closing up of the United States as a new field for population, but as a great food supplier of the old world, that Mr. Giffen sees trouble ahead. It is estimated that they now feed about 10 millions of the population of our crowded European States, and that this number dependent upon them is increasing yearly. Thus they are now affording a food supply to at least 60 millions of people. But assume that the next twenty-five years will add another 50 millions to their own numbers—a number

which would go far to occupy the land available for settlement, and a very different condition of things will be in existence.

Mr. Giffen says :—

"It would be foreign to my purpose to indulge in speculation as to what will be the consequences of this approach to a complete settlement of the United States, coupled with the fact that population, whether in the United Kingdom, or in Germany, or in the United States, shows no signs of abatement in the rate of increase. It is sufficient for my purpose to point out that as the existence of vast tracts of virgin soil in the United States has permitted, during the last hundred years, an expansion of the European population without a precedent in history, has made the economic history of Europe in that period entirely different from what it would otherwise have been, so now the approach to a complete settlement must profoundly affect the world. The conditions of economic growth will be fundamentally altered."

And he points to the following as some of the more immediate consequences which are likely to follow from this settlement "of which we seem to be within a measurable distance." He says :—

"First of all there will probably be a diversion of a larger part of the stream of emigration from Europe and the eastern States of the American Union to the north-west provinces of Canada. Here there are probably about 400,000 square miles of territory available for settlement, equal in quality to the best land in the United States West. As there is no such field in the United States itself, the stream must apparently be to the new land. The second immediate consequence I should look for would be an increase of manufactures and of town population in the United States. The agricultural outlet becoming less tempting, and agricultural wages tending to fall, the population will inevitably be more and more largely drawn into manufacturing. And a third consequence will probably be a check to the tide of emigration from older countries, a greater demand upon the agriculture of those countries, or at least a mitigation of the extreme competition it now sustains from virgin soils, and possibly a reversal of the present tendency for rents to fall. Such changes may hardly be apparent for a few years, with the exception, perhaps, of the diversion of the stream of emigration to the north-west of Canada, which has begun ; but it seems hardly possible to doubt that they must begin to be felt before very long—perhaps in the course of ten, and almost certainly in the course of twenty years."

The subject is one which must fix the attention of all who endeavour to watch the world's progress. Mr. Giffen has set up a frame which cannot be extended, as it embraces the whole world. Much of the picture it is to hold, where it concerns the past, is filled in clearly enough : the remaining part, which he attempts to fill by analogy from the past, is at present in faint colours. But whether his view of near consequences be overstated or not, there can be no doubt that these changes of population, which are taking place so quietly, and shape the political aspect of the world, lie also at the very root of the changes in the economic and commercial world, and must be a subject of the deepest interest to all who strive to look beyond the present.

QUESTIONS ON POINTS OF PRACTICAL INTEREST.

THE COUNCIL desire to express their readiness to receive at all times questions which are of general interest, and in regard to which it would appear desirable to assimilate the practice of bankers.

The following questions have been received, and answers are appended, which, after careful deliberation, the Council have approved :—

QUESTION I.—A bill endorsed in blank passes into the hands of A., B. and C., each of whom writes his name upon it. Can C. then make it specially payable by writing above his own name "Pay D. or order" ?

ANSWER : He can.—See *Bills of Exchange Act*, 1882, *sec.* 34, *sub s.* 4.

QUESTION II.—If a bill is payable to bearer in body, can it be made payable to order by endorsement ?

ANSWER : It cannot be so altered by endorsement, but the word "order" might be substituted for "bearer" on the face of the bill.

QUESTION III.—Where a banker in good faith receives payment for a customer of a cheque crossed, and bearing the words "not negotiable," and the customer has no title, does the banker incur any liability to the true owner ?

ANSWER : The banker does not incur any liability.—See the definition of "crossings," *sec.* 76 ; and see also *sec.* 82 of *Bills of Exchange Act*, 1882.

QUESTION IV.—Is a bill dated previous to the date on the impressed stamp a legal document?

ANSWER: It is. A bill may be ante-dated, and thus bear an earlier date than the impressed stamp.—See *Bills of Exchange Act*, 1882, *sec.* 13, *sub s.* 2.

QUESTION V.—If a banker cash a cheque on another branch of his own bank, or on another banker, for a person who is not the drawer, and without charging a commission, and it is returned to the banker unpaid, can he sue the party for whom he cashed it?

ANSWER: As the banker changed the cheque on the faith of its being of value, he may sue the person to whom he gave the money in exchange.

QUESTION VI.—A post-dated cheque is given by A. B. to C. D., who presents the same for payment. Can the bankers refuse payment on the ground that the cheque is post-dated, seeing that sec. 13 of the Bills of Exchange Act, 1882, expressly states that a bill is not invalid by reason only that it is post-dated, and by sec. 73 a cheque is payable on demand? Would it be held that, the cheque having been issued, the date of presentation at the bankers' would be the true date thereof?

Suppose a banker refuses payment of a post-dated cheque, would he be protected from an action for dishonouring his customer's cheque when it is open to the customer to allege either that the date was a mistake on his part, or that, although it was post-dated, it was, being a cheque, payable on demand?

ANSWER: In practice, the date on the cheque, and not the date of presentation, would be considered the true date thereof.

The Banker would be justified in refusing to pay such a cheque if he thought fit.

QUESTION VII.—A customer presents his own cheque over the counter payable to "self or order," and objects to endorse it because he presents the cheque himself to the Bank it was drawn upon. Would the bank be legally justified in paying such a cheque?

ANSWER: The bank is entitled, before paying such cheque, to demand a discharge from the payee.

LEGAL DECISIONS AFFECTING BANKERS.

NEW LONDON AND BRAZILIAN BANK *v.* BROCKLEBANK.

(*Reported in full, see below.*)

THE bank was a limited company. By its articles it was bound not to recognise Trusts, and had a first and paramount lien and charge upon all shares of any shareholder for all moneys owing to the Company by him alone or jointly with any other person. And when a share was held by more persons than one, the Company had a like lien in respect of all moneys so owing to them from all or any of the holders thereof, alone or jointly with any other person.

Long prior to 1879, the defendants Brocklebank and Mee were registered as joint holders of one hundred and twenty-three £20 shares in the bank. The shares were bought by them as trustees of a marriage settlement out of the settlement funds.

In June, 1879, a firm, in which Mee was a partner, went into liquidation. At this time, the bank held two dishonored acceptances of the firm in question for £2,000 each.

The bank brought the action to enforce its lien for these sums on the one hundred and twenty-three shares, and the Court of Appeal confirming the judgment of Vice-Chancellor Bacon, held that the charge in favour of the bank took effect as one of the terms upon which the registration of the shares was made, and that the beneficial owners of the shares could not claim the benefit of the investment and repudiate the terms upon which the shares had been acquired by the trustees.

[IN THE COURT OF APPEAL.—CHANCERY DIVISION.]

NEW LONDON AND BRAZILIAN BANK *v.* BROCKLEBANK.

(1881 N. 294.)

Company—Trustee of Shares—Lien on Shares for Debt of Trustee—Equitable Title to Shares—Priority.

The trustees of a marriage settlement which authorized them to invest in the shares of any trading company, invested part of their trust funds in the purchase of shares in a limited banking company, which were transferred into their joint names. By the articles it was provided that the company should have a first and paramount charge on the shares of any shareholder for all moneys owing to the company from him alone or jointly with any other person, and that when a share

was held by more persons than one the company should have a like lien and charge thereon in respect of all moneys so owing to them from all or any of the holders thereof alone or jointly with any other person. One of the trustees was a partner in a firm which afterwards went into liquidation, at which time it owed the company a debt which had arisen long after the registration of the shares in the names of the trustees:—

Held, by *Bacon*, V.C., and by the Court of Appeal, that the bank has a lien on the shares for this debt which must prevail over the title of the *cestuis que trust*.

Whether as between themselves and the *cestuis que trust* the trustees were authorized to make such an investment, *quære*.

The Plaintiff company was a limited company, and the 105th and 106th articles of association were as follows:—

105. "The company shall not be bound by or recognise any agreement to transfer or charge any share, or any equitable, contingent, future or partial interest, or other right in, to or in respect of such share, except an absolute right thereto in the person from time to time registered as the holder thereof."

106. "The company shall have a first and paramount lien and charge available at law and in equity upon all the shares of any shareholder for all moneys owing to the company from him alone or jointly with any other person, and when a share is held by more persons than one the company shall have a like lien and charge thereon in respect of all moneys so owing to them from all or any of the holders thereof alone or jointly with any other person, and in any case whether such moneys shall be payable or not."

The defendants *Brocklebank* and *Mee* were registered as joint holders of 123 shares of £20 each in the Company, and *Mee* was registered as sole holder of 10 shares. These shares were all acquired long prior to 1879.

Down to June, 1879, *Mee* was a partner in the firm of *Francis Saunders & Co.* In that month the firm presented a petition for liquidation by arrangement, and a resolution for liquidation was passed. At the commencement of the liquidation the plaintiffs were the holders of two acceptances of the firm for £2,000 each, which had been dishonoured, and they commenced this action to enforce their lien for these sums on the 123 shares and the 10 shares.

Brocklebank and *Mee*, by their statement of defence, stated that they were the trustees of the marriage settlement of Mr. and Mrs. *Brogden*, which authorised the trustees to invest the trust funds on any of the securities therein mentioned, including the stocks, funds, shares, loan notes, debentures, mortgages, or securities of any corporation, company, or public body, municipal, commercial, or otherwise, in the *United Kingdom*. That the Shares in question had been purchased with part of the trust funds, and were held upon the trusts of the settlement, and that neither of the defendants had any beneficial interest in any of the shares, but that they held them on the trusts of the settlement. They set up a counter-claim for payment of dividends on the shares.

The trustee in liquidation was made a party, but disclaimed all interest.

The action came on to be heard before Vice-Chancellor *Bacon*, on the 16th of February, 1882.

J. Beaumont (*Marten, Q.C.*, with him), for the plaintiffs, contended that they were entitled under art. 106 to a first and paramount lien on the shares held by and registered in the names of the defendants.

H. Burton Buckley, for the defendants. The right claimed by the plaintiffs under art. 106 is a purely equitable right, which did not arise until the liquidation in 1879, and there being a conflict between two equitable titles, that of the plaintiffs must be postponed to the prior equitable title which the *cestuis que trust* acquired in 1876 when these shares were purchased pursuant to the trusts of the settlement; and of that prior equitable title they cannot be deprived by any indebtedness to the bank on the part of their trustee: *Shropshire Union Railways and Canal Company* v. *The Queen* (1); *Bradley* v. *Riches* (2); *Cory* v. *Eyre* (3). Plaintiffs therefore are not entitled to forfeit or sell the shares for payment of the debt due from the firm in which *Mee*, one of the trustees, was a partner.

Bacon, V.-C., had very great doubt whether the argument for the defendants had any application to this case. The trustees acquired, and were registered as the holders of, these shares subject to the provisions of the articles of association, and with the obligation that the shares should be liable to discharge any debt which might be owing to the company from the buyer of the shares, and that obligation was never severed from the shares. It must be declared that the plaintiffs were entitled to a lien with judgment for a sale. Defendants to pay the costs of the action, and their counter-claim dismissed with costs.

Brocklebank and *Mee* appealed. The appeal was heard on the 8th of May, 1882.

H. Burton Buckley, for the appellants. The Court has to decide between two equitable titles. The company have only an equitable lien which they cannot enforce without the aid of the Court. The articles no doubt give the company a lien on shares for what is due from the shareholders to the company. But the *cestuis que trust* under the settlement had an equitable title arising in 1876, at which time nothing was due to the company.

[Jessel, M.R.: A company does not recognise trusts.]

It has been held that a *cestui que trust* of shares has a *locus standi* against the company and can sue it: *Binney* v. *Ince Hall Coal and Cannel Company* (4), and in *Shropshire Union Railways and Canal Company* v. *The Queen* (5), the right to enforce an equitable title to

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(1) Law Rep. 7 H. L. 496. (2) 9 Ch. D. 189. (3) 1 D. J. & S. 149. (4) 35 L. J. (Ch.) 363. (5) Law Rep. 7 H. L. 496.

shares against the company is recognised. The company only acquired their equity in 1879 when the debt arose, and they were met by a prior equity on behalf of the *cestuis que trust* under the settlement.

[JESSEL, M.R.: The shares were bought subject to the contract that the company should have a lien for the debts of the shareholders.]

A. B. is a trustee for me of shares in a company and agrees to charge them, there can be no charge till there is a debt.

[JESSEL, M.R.: A trustee with the consent of the *cestui que trust* takes a lease of a house on the terms that the rent is to be secured by an equitable mortgage of the furniture, can the *cestui que trust* say that his title to the furniture defeats the landlord's charge?]

That is a charge of something to which the *cestui que trust* is liable.

Marten, Q.C., and *J. Beaumont*, for the company, were not called upon.

JESSEL, M.R.: This to my mind is a perfectly plain case. By its articles of association the banking company had a lien or charge on shares standing either in a single name or in joint names for any debt due from any of the holders, either separately or jointly with any other person. The shares now in question were standing partly in the name of Mr. *Mee* alone, partly in the name of *Mee* and another, and *Mee* was indebted to the bank in a joint debt, that is a debt owed by him together with another person. The case is clearly within the terms of the articles of association. *Mee* acquired the shares under that contract, he is bound by it, and against him the charge is perfect. But it is said on behalf of the appellants that *Mee* was a trustee for others, that he bought these shares with other people's money, being duly authorized so to purchase them, and held them on their behalf, and that the debt to the company, having arisen since the purchase, must be postponed in equity to the equitable rights of the *cestuis que trust*, on the ground that the equitable charge, which is first in time, is first in right. The answer to that is, that the charge of the bank is first in right, and indeed first in time. The charge of the bank took effect as one of the terms on which the registration was made, it was this, "We will admit you, *Mee*, as a shareholder in this bank on the terms that whenever you owe us any money we shall have an equitable charge on these shares." That contract was perfect at the moment when the shares were registered, there is no possibility therefore of the title of the *cestuis que trust* being prior. That alone would be conclusive, but there is another ground equally conclusive, which is this—the *cestui que trust* buys in the name of the trustee property subject to a charge in a given event, can that *cestui que trust* get the benefit of the purchase and not comply with its terms? I put in the course of the argument an illustration which appears to me to apply to this case, suppose the

cestui que trust authorized trustees to take the lease of a farm on the terms that the landlord should have an equitable charge on the stock and crops of the farm for the time being for his rent, could the *cestui que trust* say that he would keep the farm, and take the stock and crops, and not pay the landlord, that he could take the benefit of the trustees' purchase free from the obligation on which the purchase was made? It is plain that he could not, it would be the grossest injustice to enable the tenant to exclude the landlord, to whom he gave no notice of the trust, by buying, not with his own money, but with the trust money with the assent of the *cestui que trust.* A decision in favour of the company does not at all contravene the doctrines of equity as to priority of equitable rights. This appeal, therefore, fails, and must be dismissed. It must not be assumed from anything I have said that because the trustees were authorized to invest in the shares of any company they were justified in investing in the shares of a company whose articles contained provisions such as that now under consideration.

LINDLEY, L.J.: I am of the same opinion, and I think the case tolerably clear. The defendants *Brocklebank* and *Mee,* are trustees of a settlement, which settlement authorized them to invest the settled funds in the shares of any company. Notwithstanding that very wide clause some discretion must be exercised by the trustees. Thus, for instance, it is clear that such a clause would not authorize them as between them and their *cestui que trust* to invest the trust funds in a company which was known to them to be insolvent. So also it does not follow that because the terms of the investing clause are general the trustees can invest in any company without any consideration, and without regard to its constitution or its rights as against shareholders. That, however, is a question with which the company has nothing to do. The company in which these shares were bought has articles of association, the 106th of which is as follows:—[His Lordship read the 106th clause.] That is a stipulation which is not uncommon in articles of association of banking and other trading companies, and it is a stipulation which every company has a right to make. The trustees then invest the trust moneys in the purchase of these shares upon the terms of that article, and I fail to see upon what ground the equitable owner can claim the benefit of that investment, and say that the shares have been properly bought under the provisions of the trusts of the settlement, and repudiate the terms upon which the trustees have acquired the shares. The case of *Binney* v. *Ince Hall Coal and Cannel Company* (6) does not, I think, present any difficulty. The company there was formed and registered under the old *Joint Stock Companies Act,* and a bill was filed to restrain the company from paying dividends in a certain way. The shareholder there was *Lancaster,* who was a party to the bill, and, as

(6) 35 L. J. (Ch.) 363.

I understand it, it was a mere question of joinder of parties. *Lancaster* could have filed a bill to obtain the relief which the *cestuis que trust* sought to obtain, and the suit would have been quite proper if brought by the *cestuis que trust* and the trustee. The *cestuis que trust* there were not repudiating the liabilities of their trustees or the rights of the company against their trustee, but were seeking to enforce the rights of their trustee, which is a totally different thing. It was a mere question of form; *Lancaster* might have maintained that bill, and the question merely was whether the *cestuis que trust* could maintain it making him a defendant. Here, in substance, the *cestuis que trust* (though in form they are not parties) are coming forward to say to the company, "You shall not enforce against our trustee those rights which you stipulated for." It appears to me that the decision was right, and consequently this appeal must be dismissed with costs.

HOLKER, L.J.: I am of the same opinion. The trustees entered into a contract for the purchase of shares upon certain terms and conditions, among which was a stipulation that the bank should have a lien as provided by the clause which has been referred to. It seems to me that the shares having been purchased on those terms and conditions, it is impossible for the *cestuis que trust* to say that those terms and conditions are not to be observed.

Solicitors for plaintiffs: *Bircham, Drake, & Co.*
Solicitors for defendants: *Ingle, Cooper, & Holmes.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000=£1,000,000.

For the weeks ending	1882. Nov. 29. 1	1882. Dec. 6. 2	1882. Dec. 13. 3	1882. Dec. 20. 4	1881. Dec. 21. 5
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	£
Notes issued	35,579	35,603	35,720	35,826	35,626
Government debt	11,015	11,015	11,015	11,015	11,015
Other securities	4,735	4,735	4,735	4,735	4,735
Gold coin and bullion	19,829	19,853	19,970	20,076	19,876
	35,579	35,603	35,720	35,826	35,626
BANKING DEPARTMENT.					
LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	14,553
Rest	3,078	3,056	3,063	3,066	3,102
Public deposits	4,062	4,524	4,999	6,056	6,581
Other deposits	22,109	22,438	22,005	22,085	22,405
Seven day and other bills	206	245	221	197	204
Total	44,008	44,816	44,841	45,957	46,845
ASSETS.					
Government securities	10,381	11,381	11,381	11,381	13,244
Other securities	22,618	22,472	22,198	23,375	22,324
Notes	10,118	9,937	10,382	10,380	10,402
Gold and Silver coin	891	1,026	880	821	875
Total	44,008	44,816	44,841	45,957	46,845
Notes in the hands of the Public	25,462	25,666	25,338	25,446	25,224
Reserve	11,009	10,962	11,262	11,201	11,277
Proportion of reserve to liabilities (per cent.)	41·73	40.28	41·36	39·52	38·63
Rate of discount	5 %	5 %	5 %	5 %	5 %
	Nov. 30.	Dec. 7.	Dec. 13.	Dec. 21.	Dec. 22.
RATES OF EXCHANGE ON LONDON.					
Paris, cheque— (par £1=25f. 22½ c.)	25·24	25·23	25·22	25·23	25·24½
Berlin, 8 days— (par £1=20m. 43 pf.)	20·36	20·34½	20·35	20·34	20·39½
New York, 60 days— (par £1=$4·867)	4.79½	4.79½	4·80¼	4·80¼	4·79¾
Calcutta, 4 m/d— (per rupee)	1s. 7½d.	1s. 7 1/16d.	1s. 7 1/16d.	1s. 7 1/16d.	1s. 8 1/16d.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus: £1,000=£1,000,000.

For the weeks ending	1882. Nov. 30. 1	1882. Dec. 7. 2	1882. Dec. 14. 3	1882. Dec. 21. 4	*1881. Dec. 22.*
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	*£*
Public deposits	13,870	12,102	11,885	11,417	*14,582*
Private deposits	16,052	16,167	15,246	16,021	*21,407*
Notes in circulation	114,590	110,672	110,961	110,108	*109,012*
Other items	12,866	12,807	12,795	12,786	*12,479*
Total	157,378	151,748	150,887	150,332	*157,480*
ASSETS.					
Gold	38,514	38,720	38,637	38,712	*26,125*
Silver	43,948	43,795	43,720	43,704	*46,647*
Bills	46,599	40,378	39,775	39,186	*53,182*
Advances	16,754	17,013	16,791	16,806	*19,602*
Other items	11,563	11,842	11,964	11,924	*11,924*
Total	157,378	151,748	150,887	150,332	*157,480*
Rate of discount	3½%	3½ %	3½ %	3½ %	*5 %*
	Nov. 30.	Dec. 7.	Dec. 15.	Dec. 23.	*Dec. 23.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£	£	*£*
Notes in circulation	37,772	36,743	36,547	37,822	*38,014*
Current accounts	8,875	9,170	9,728	10,516	*8,043*
Other items	6,902	6,915	6,992	6,959	*6,895*
ASSETS.					
Coin and bullion	27,469	27,519	27,779	28,300	*26,534*
Bills and Loans	22,972	21,991	22,035	23,917	*22,256*
Other items	3,799	4,014	4,045	3,613	*4,644*
Rate of discount	5 %	5 %	5 %	5 %	*5 %*
	Nov. 29.	Dec. 6.	Dec. 13.	Dec. 20.	*Dec. 21.*
MISCELLANEOUS.					
Clearing-house returns	95,041	145,329	97,743	139,318	*149,917*
Average price of wheat	40s. 11d.	41s. 5d.	41s. 8d.	41s. 6d.	*44s. 9d.*
Price of consols	100⅞	100¼	100⅝	100⅝	*99¼*
Bar silver, fine, per oz. standard	51d.	50⅞d.	50¾d.	50⅞d.	*51⅞d.*
3% French Rentes	80·25	80·40	79·90	79·32½	*83·75*

NOTES ON RECENT ADDITIONS TO THE LIBRARY.

Fenn on the Funds, 1883.*

This, the thirteenth edition of this well-known manual, re-written and brought down to the latest date by Mr. Nash, has now assumed the form of a bulky volume of nearly 700 pages. The writer, who states his views in an able introduction, has a clear perception of the necessity of taking account of the varying circumstances of different loans, whether in the object for which they were raised, the form in which they were issued, or the real condition of the resources of the State or municipal body which guarantees them; and the work itself is carried out with the evident desire to give the information which it affords, in accordance with these principles. And a vast amount of information is contained in the work. There does not appear to be a single borrowing State, in regard to which more or less information is not given. The only fear is that the effort to give so much, qualifies that which is given. The statistics of a country must be stated with great fulness—a fulness scarcely possible within the limits of such a work, if reliable conclusions are to be drawn from them. Some, too, may think that much space is occupied by the very minute history given in regard to the issue of many of the foreign loans, and that a more concise method might have been adopted. It may be also questioned whether it was wise to print some of the documents which are included, such, for instance, as the Bank Act of 1844, called, by-the-by, "The Bank Charter of 1844." The Act of 1844 must be read with that of 1833, and with several Acts of later date; and any account of the note-issue of the country is not complete without the Scotch and Irish Acts of 1845. It is on points such as these that anyone prosecuting enquiries in which accuracy is needed, is apt to be disappointed. This, however, is, perhaps, to be hypercritical in regard to a work of which the general outlines are now so well known, and which so well sustains its established reputation.

The Bills of Exchange Act, 1882 (45 & 46 *Vict.*, c. 61) *being an Act to codify the Law relating to Bills of Exchange, Cheques and Promissory Notes, with Explanatory Notes and Index.* By M. D. CHALMERS, M.A., of the Inner Temple, Barrister-at-Law.†

This Act, the full text of which appeared in the November number of the Journal, codifies the law relating to Bills of Exchange, Cheques, and Promissory Notes, and applying to the whole of the United Kingdom, enacts one and the same body of law for England, Ireland, and Scotland, with the exception contained in section 53. The present volume has been edited with great care by Mr. Chalmers, and points out by means of concise notes and illustrations, where any alteration has been made in the law, where doubtful points are settled, and the bearing of one section on another. In the preface will be found a short history of the Act, while the appendix contains the material provisions of the Stamp Act, 1870, which has been saved by sect. 97 (3) of the Bills of Exchange Act, 1882.

* Effingham Wilson, Royal Exchange. † London: Waterlow & Sons, Limited, London Wall.

The Institute of Bankers.

H. F. BILLINGHURST, Esq., (in the absence of the President) in the Chair.

THE CIRCULATION OF NOTES UNDER £5.

By WILLIAM FOWLER, Esq., M.P.

[Read before the Bankers' Institute, Wednesday, Dec. 20th, 1882.]

IN consequence of a recent debate in the House I have been asked to state my views on this question for your Society in the form of a paper, so that the arguments may be recorded in a more complete and permanent shape than is possible in the columns of Hansard.

It is perfectly true that these questions of currency reform are not "burning" questions. As the Prime Minister said, considering their importance, it is remarkable how few care about them. Most people seem to think that money will always exist in abundance, and will take care of itself. Every now and then we have been reminded rudely that this is by no means clear, and we have, at last, after much trouble and groping, adopted a paper currency, partly secured on bullion, partly on securities, and partly not secured at all, a currency which, thanks to the famous Act of 1844, has worked fairly well, and with less friction than might have been expected where so vast a mass of business is performed on credit, and the cash held at any one time is so small in amount.

It is perfectly true that as to the greater operations of Commerce the size of the bank notes we use is of no consequence, because in their operations, we do not practically use bank notes at all. A great merchant or broker in London has no need for any considerable amount of notes, nor do even banks use many bank notes.—We are indebted to your President for some interesting figures on this point, and I find that in America they have exactly the same experience, and

that of the turn-over of a large bank only about 4 per cent. consists of cash and notes. The deposit business of banks has increased far faster than their note business. I find that in 36 issuing banks mentioned in the Blue Book on banking of 1875, if you take 100 as representing the deposits in 1844, the figure in 1874 would be 353, and the proportion of the circulation to the deposits, which was in 1844, 17 per cent., had fallen in 1874 to 4 per cent. I mention this merely to show that the importance of our circulation as to our larger operations diminishes rapidly. The business is done by instruments of credit, and not by means of cash or notes representing cash. It does not thence follow that the condition of our circulation is unimportant. Far otherwise, for if our circulation should become redundant, and therefore unsound, we should soon lose our bullion, with the certain consequence of injury to credit, and an alarm and anxiety which would involve serious injury to our commerce. It is not easy to see how we can have a very redundant circulation for any long period, so long as our unsecured issues are absolutely limited, and our secured issues are so regulated that our circulation always varies as if it were all bullion, or based on bullion.

I have made these general remarks in order that it may be fully understood that I am a thorough upholder of the principles of the Act of 1844, as I understand them, and that in advocating a change in the character of our bank notes, I am not arguing in favour of any invasion of the principles of currency law as adopted by Sir R. Peel in his famous Act.

In order to make myself clear I must refer to one or two points in the history of this subject.

The first great commercial crisis which need be referred to here was that of 1793, when nearly 100 country banks stopped payment. At that time no notes under £5 were permitted in England, but the country was covered with bad banks, and there was much speculation, having regard to the comparatively small wealth of the country at that date. The crisis was a natural consequence, but, at the same time, Scotland, though there was an issue of £1 notes in that part of the Kingdom, escaped all these convulsions of the English money market, her people not having indulged in similar bad banking, or similar speculations. Subsequently to this date in 1797 came the suspension of cash payments, and the foundation of many more banks, accompanied by an issue of £1 notes, though not on a very large scale. This issue was, I presume, deemed essential during the suspension of cash payments, in order to provide a supply of small money. So matters continued up to and until after the panic of 1825, when a great outcry was raised against £1 notes as being a great cause of the agitation and crisis of that year. But as Lord Liverpool pointed out in his letter to the bank, dated 13th January, 1826, the issue of £1 notes could not be shown to be "the sole or even the main cause of the evil in England," because in 1793, as

already mentioned, when there were no £1 notes, there was, nevertheless, a terrible "convulsion." This argument of Lord Liverpool is confirmed, if any confirmation were needed, by the events of 1837 and of 1844, 1857 and 1866, when crises of serious magnitude occurred, and when there were no English bank notes under £5. To any one who has much considered the causes of English monetary panics, the idea of their being caused in any material degree by the existence of small notes seems absurd. So far as the existence of such notes tends seriously to increase the total in circulation, and so far as holders of such notes are more liable to alarm, the argument may be sound, but no further. The real cause of great commercial crises is a much deeper one. Such crises are the consequence of over trading and speculation, leading to an excessive use of credit, and a consequent breakdown of all credit, and are not caused by the existence of a few notes of small size, more or less. Once an alarm is started, the existence of small notes may possibly aggravate a panic, but, judging from recent experience when the Glasgow bank failed in 1878, I greatly doubt it; and my own experience of panics would lead me to the conclusion that not holders of notes are alarmed during great crises, but traders who cannot procure any notes large or small, because their assets cannot be realised. It is the deficiency of bank notes, not the size of the notes which exist that causes anxiety and alarm. In fact, it is said that the discovery of some unused £1 notes saved the Bank of England in 1825.

It is important here to remark that during all this long period till the present hour, £1 notes have been freely circulated in Scotland and Ireland, and have been, and are, very popular in those countries.

In 1826 an effort was made to abolish them in Scotland as well as in England, but the Minister of the day had to abandon the attempt—popular feeling was too strong for him. It is well-known that Sir R. Peel would have done the same in 1844, but the same difficulty existed.

The people of Scotland and Ireland are not deficient in shrewdness. Nowhere has banking been conducted with more intelligence and success, and they cling to their small notes as to an important part of their system. It may then fairly be asked why, if these small notes are so convenient in these countries, they should not be found equally convenient and acceptable in England. I have often asked myself this question, and I have never yet heard any argument to show that these notes would have a different operation here to that which they have in Scotland and Ireland. Nor is this all, for on the Continent of Europe and in the United States of America small notes have been always in use without any injury to their finance, so far as I can discover. The great note of ordinary life in America is the note of one dollar, or four shillings, and, I was assured, when there last year, that no American Minister would dream of calling in these dollar notes, and that, in fact the calling in the "fractional

currency," that is, the notes for parts of a dollar, was a very unpopular proceeding. It seems to me that no one can travel in the States without feeling the great convenience of even a four-shilling note. But I do not advocate anything so extreme. I only ask for an extension of convenience by a grant of notes for £1. Similar remarks might be made as to India and Australia. The managers of Australian banks assure me that they find much convenience and no evil results from the issue of these small notes.

Since the debates in the House I have been assured by mine owners, railway directors, and other employers of labour, that the carriage of large masses of gold coin, for the payment of wages, is a source of much inconvenience. Of course silver and half-sovereigns in gold must be carried, but to have no sovereigns to carry would be a source of safety as well as convenience. A large amount of £1 notes can be carried in the pocket or sent by post, but sovereigns cannot be so treated.

The convenience, however, to the people at large of all classes, in their daily use of money, in transmission of small sums by post, and to those engaged in small retail business in the transaction of that business, seems to me of the greatest importance. People are accustomed to things as they are, and do not complain; but this is no reason against a change, if the experience of others shows that a different plan to ours is very convenient and popular.

I certainly think that there can be no sense in having one law in this matter for England, and another for Scotland and Ireland. If these be valid arguments against £1 notes, abolish them altogether; if not, let us also have the advantage of using them.

Another consideration has lately come into view in the condition of our gold coin. This has been discussed here with much ability by Mr. J. Martin, and he shows that every other sovereign is light, and that the probable cost of restoring our coin would not fall far short of £1,000,000. What would be the cost per annum of maintaining a perfect gold coinage is not clear. It would certainly be a large sum. Certainly, as sovereigns are legal tender, they ought to be of full weight, and one cause of their unpopularity in Scotland and Ireland is said to be the fact that so many are light. It seems hard that the holder of a sovereign should pay for the fact of its lightness, a condition for which he may be in no sense responsible; but, on the other hand, were the State to pay, the temptation to deface the coin would be enormous and irresistible. It is obviously far more easy to maintain the value of paper, duly secured, than of coin, which is being perpetually worn away.

I am informed that even the Government Departments do not accept the loss on light gold which they receive. The Post Office, for instance, receives large amounts of light gold. They could not weigh coins in their business. They do not, however, pay in the light coin, as I am told, but they re-issue it, thus perpetuating the

evil. Were all our Government Departments to set an example in this respect, the effect on the coinage would be important. But, of course, when once a Department becomes a maker of money, and not merely as it ought to be, an administrator for the good of the people, the heads of it examine carefully all possible sources of loss, just as if they were the heads of a firm of merchants or manufacturers.

I ought, before going further, to explain just what I ask.

I should propose to deal with notes under £5 exactly as we now deal with notes of £5 and upwards. That is, we should authorise the Issue Department of the Bank of England to issue a fixed amount of small notes against securities, and the balance of such notes against bullion or coin brought to the Issue Department of the Bank as at present.

Questions would arise as to the division of the profit of such issue as between the Bank and the Government, and other questions far more difficult, as that of a State issue, and the position of an unsecured issue, might arise from the discussion of this question, but I do not propose to deal with these. They are not insuperable; but inquiry may be necessary before any change is made. Probably I was wrong in asking for a decision from the House, instead of merely asking for an inquiry ; but it will be easy to make this demand hereafter.

A grave question has, however, to be answered here, viz : – How much of the total issue of small notes ought to be issued on securities?

We now issue £15,000,000 of larger notes on securities, and the balance on bullion, because our circulation has never fallen below £20,000,000, and generally far exceeds it, and therefore £15,000,000 may safely be issued on securities.

What then would be the probable minimum issue of £1 notes, if such issue were permitted? This depends on two points, (1) How much is now issued in the form of sovereigns, and (2) How far would such sovereigns disappear, were small notes issued. It is remarkable that in 1844 Sir R. Peel estimated that there was from £30,000,000 to £40,000,000 of gold coin in circulation. At this moment the best authorities put it down at from £100,000,000 to £120,000,000. I think that we should circulate at least £30,000,000 of £1 notes at all times, and that we might safely issue £25,000,000 of such notes on securities, leaving any further amount to be issued on coin or bullion. I think it highly probable that far more than £30,000,000 could be thus issued, and would continue in circulation, when once the public should have grown accustomed to the change, and should appreciate the convenience of the notes ; but of course one would desire in deciding what the probable minimum would be, to err, if at all, on the side of prudence.

It is not easy to say what the cost of such an issue would be. I have had most various estimates varying from five shillings to £1 per cent. per annum. This cost would largely depend on the course

adopted as to reissue. Probably the present rule as to reissue might be relaxed; as for my part, I cannot see why the Bank should not reissue a note in good condition, which, having passed through the hands of its examiners, is pronounced to be genuine, and has been paid accordingly. It is at any rate as good as a new note, for anything that I can see.

However, it is not necessary to dwell on this point. It is sufficient to say that the interest on £25,000,000 of securities would pay for the cost of such an issue, with an ample margin of profit to the issuers, unless some most extravagant process of issue should be adopted.

That profit would of course have to pay for the cost of issue against bullion bearing no interest, as well as of that against securities, but if my figures are correct, I do not think we need have any anxiety; and should the issue against gold be so large as to involve a very heavy outlay to the issuer, it would prove how great the convenience to the public was found to be, and would justify some fresh arrangement for his remuneration.

In considering the cost of a paper issue, we must not forget the cost by wear and tear of coin, to which I have referred. The saving of the wear of bullion is an item of no small importance; though, how great it is annually, I have not been able, as yet, to estimate with any approach to accuracy.

It will now be necessary to refer to the various objections to my proposal made in the course of the debate and elsewhere.

(1.) Some persons think much of the danger of forgery. There is no doubt that early in the present century, when notes were very rudely engraved, and when juries were indisposed to convict for an offence which then involved the punishment of death, there were many forgeries of small notes. But things have now changed. I am assured by the managers of Scotch and Irish banks that forgery is one of the risks of business to which, after long experience, they attach no importance. In a recent case in Scotland, where all the details were discovered, it was found that a forger had issued a small amount of false £1 notes with the greatest difficulty. It might seem an easy matter to pass small forged notes, but as a matter of fact it is not so in these days. Accordingly, even in Australia, there is very little forgery; and in America it is found that the forgery of notes answering to our £10 is eight times as frequent as that of the note for one dollar. The forger prefers to run the risk for a greater prize than such small sums. This is very natural; and if we can judge from the experience of America, our present large notes of £10 and £5 are far more likely to be forged than notes of £1 would be.

Your President in dealing with this question in the recent debate, treated Scotland as peculiar, because no bank uses the notes of another bank as till money, and so the life of a note is shorter there than in other countries, so that the risk of detection of forgery is

greater.* But I am informed that the life of a £1 note of the Bank of Ireland is about nine months, and yet in Ireland the same security from forgery exists. No doubt the life of a small Bank of England note would be longer than that of a note of any other bank, and its area of circulation would be very extensive, including even foreign countries. So far the temptations to and opportunities for forgery would be greater, but it does not follow that forgery would pay. The fact is that the times have changed. Formerly forgery of notes prevailed as to all kinds of notes on all sorts of banks, whereas now it has practically disappeared. It is very remarkable that the forgeries of £5 Bank of England notes were 745 in 1820, as against 27 in 1874.

The attack is now made on the coin of the realm, not on the notes, and there is in fact far more danger of getting a bad sovereign than a bad £1 note. The figures are very curious. In 1880 there were no persons committed for forgery of notes in Great Britain, and only eight in Ireland, whereas in the same year 2,000 persons were punished for the offences of coining, of having in possession implements for coining, and of uttering false coin. I am not prepared to account off-hand for the great change, but I think I have shown that a fear of forgery is not conclusive against the issue of small notes in these days, when our skill in engraving is great, and when our detective force is so efficient. I do not say that there would be no attempts to forge £1 notes; but I think I have a right to the opinion that they would not be so important, or so successful, as to injure the £1 note more than present attempts at coining have lessened the credit of an English sovereign.

(2.) The next objection raises points of more interest and difficulty.

It is said that a circulation of small notes, displacing sovereigns, would diminish the amount of gold in the country, and would therefore lessen our reserves of cash available to meet sudden demands arising from panics or other commercial disturbance, or from great national convulsions, occasioned by tumults at home or

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* On this point the following extract from the Report of the Committee of 1875 on Banks of Issue is interesting. Mr. Palmer, in answer to Mr. Anderson, M.P., said, "I have been told that there is a system by which the notes, "through the different agencies of the banks, are cleared one with the other, "and that they pass through the head office very frequently; but I am merely "speaking now from hearsay." 7589—Mr. Anderson, "I am afraid your "hearsay is mistaken; there is no system by which the small notes are collected "from the branches and sent through the head office, or at least I never heard "of it; possibly you may have referred to the exchanges, but the exchanges "may be carried on in a town quite apart from the head office. Are you "aware that the notes that are exchanged among the different branches of "banks in provincial towns do not necessarily ever go near the head office, and "that they may remain for years circulating in the country?" Mr. Palmer, "I have no practical experience of Scotch banking."

invasion by a foreign power, or even from large purchases of corn arising from bad harvests.

As to the first point, I have always considered that our sovereigns in circulation are not really a reserve in case of home demands arising from panic. They are in the hands of banks or of private persons; neither banks nor individuals ever keep more than the smallest sum required for daily use. This is so obvious as to private persons that it needs no discussion. No sane man in these days keeps a reserve of money in sovereigns. He will keep his reserve at his bankers, or at the savings bank, or in bank notes. He will keep as little gold as possible about him.

As to banks, the same remark really applies. Banks keep as little gold as possible as till-money. They must have some gold coin to meet current demands of customers, but this is not a reserve. It is current money needed for daily business, and should be reduced to the smallest amount that can safely be arrived at. The reserves are kept in other forms, as bank notes, or cash at call in London, or bills of exchange or other negotiable or convertible securities. A bank in England cannot dispense with the use of gold. In Scotland and Ireland they approach that point, but here they must have some gold, however small the amount may be. As the Prime Minister well put it, when he said that a metallic circulation is not a reserve in case of monetary pressure, "because, in point of fact, that large "metallic currency is hard at work in the daily business of life, "conducting the cash transactions, absolutely essential to the opera- "tions of civil society." This explains the facts exactly. The coin is required for daily work, and is not, therefore, a reserve for emergencies.

It is also to be observed that in times of monetary alarm, large additional sums of gold coin are sent down from London to the country banks, so that in fact banks absorb more coin than usual, just when more money is needed at the central Bank. It may be true that in times when money is very dear, without actual alarm, banks reduce their cash in their tills in order to obtain interest on as large a sum as possible. But, in such times, reserves are not drawn upon; nor are reserves kept for such times, they are kept for times of real anxiety, and then, as I have said, banks increase their cash at home, instead of sending it to London to increase the reserves held there.

In answer to this argument, it was alleged in the debate by Mr. Goschen, and by your President, that as our currency is based on gold as its basis, we ought not to reduce the amount of gold in the country. Exactly the same argument might be used against the issue of any notes of any denomination upon securities; but no one has proposed to alter the Act of 1844 in this respect. It seems to be forgotten in this argument that I do not propose to alter the basis of our currency. I only ask that gold may not be wasted, and that some of the gold, now, as I think, needlessly used for purposes of

currency, may be replaced by notes which would do the same work, and avoid the waste. I hold to the gold basis as strongly as Mr. Goschen or Sir R. Peel, but I say we can secure our currency completely by the use of a smaller amount of bullion than we now use, if only we will permit our people to follow the example of their countrymen in Scotland and Ireland. Gold is not needed to secure that amount of notes which is always held by the public. Notes always out can be secured otherwise. When you pass that limit, so that notes may at any time come back for payment, the gold must be ready at a moment's notice, and must, therefore, be held in reserve by the issuing Bank.

The argument as to the need of gold in case of invasion or a great war was not much pressed in the debate. It is an argument which would prove almost anything to the timid, and would not have much weight with those who have a more robust temperament. It can hardly be expected that we should arrange our business affairs so as to provide for a contingency arising once in a century. We have had many heavy demands since 1797, but have never, since that date, had occasion to have recourse to a suspension of cash payments. The reserve of gold would still be very large even if my proposals were adopted, and if we really want large sums in gold, we have always a means at hand for our supply in a temporary advance of the rate of discount, which would soon bring us all we need, unless our credit as a nation should have undergone some extraordinary change.

It should also be mentioned that a country may have very large reserves in gold for the purposes of its finance or commerce, even though very little gold may be used in daily business. For instance, you may travel any where in America, east of the Rocky Mountains, and you will very rarely see a gold piece. Paper does all the work of the country. But yet it appears from the statement of the Director of their mint, in June, 1882, that there were then £100,000,000 in gold, and £40,000,000 of silver bullion and coin in the country. Mr. Goschen in reply to this observation as to America, said, that the situation of the States is peculiar. They have had to accumulate gold for the purpose of resumption of specie payments. But that resumption took effect three years before the debate, and yet the gold remained in great quantities. A great commercial country will always hold much gold and silver as well as other commodities. We need not fear that we shall be drained of these articles, unless we trade imprudently, and strain our credit. Let us by all means have a sound and fully secured circulation; but it does not thence follow that we need have notes of larger amount than other people, as if there were some special virtue in notes of £5 and upwards.

It is hardly necessary to refer to demands for coin arising from imports of corn. Great imports of corn have now become constant, and the increase of such imports, arising from deficient harvests, is not of great consequence to a country perpetually paying and

receiving on the scale to which we are accustomed. The harvest of 1879 was the worst since 1816, but it had no appreciable effect on the money market, which remained in a state of repletion during the greater part of 1880. In former days such a harvest might have had a powerful effect; but in this, as in many other ways, the whole course of business has changed.

I have heard another objection to which your President alluded, viz., that holders of £1 notes are more liable to panics than are holders of larger notes. I greatly doubt whether this would be so as a matter of fact. The only serious panic as to the Bank of England note took place in 1832, when people desired to break the bank so as to injure "the Duke." But this was not really so much a case of fear as to the note, as of political animosity, taking this peculiar form of an attack on the note. It was, as Mr. Tooke says, a "ridiculous" panic, and it occurred after £1 notes had been abolished in England. On the other hand, when the City of Glasgow bank failed in 1878, under circumstances peculiarly calculated to cause alarm amongst the people, the circulation was not really affected. The other banks assisted the holders of notes, and all anxiety was soon dispelled. Never was there an occurrence more calculated to test an issue of notes, and never did an issue prove more stable. This proves, at any rate, that the mere fact of the existence of a large amount of £1 notes does not of itself cause a panic amongst holders. And we have had abundance of proof in our own country that holders of larger notes are liable to alarms, with or without good reason. In these days people seem less liable than formerly to panics about bank notes. They are sensitive as to great scarcity of money, as shown by a low reserve in the Bank, and very naturally; but they know well that their danger does not arise chiefly, if at all, from the character of the notes in use as money, but from far larger considerations, and from facts of far wider significance.

To sum up the argument.—I hope I have shown some cause for a reconsideration of the great question of our note circulation. Mr. Martin has shown how necessary it is that we should restore the condition of our gold coinage, or give to our people some substitute less liable to depreciation by use. Certainly, the adoption of £1 notes would give us a convenient substitute, and one, as I think, not liable to objection on any ground of principle. Already we have notes issued on securities, and that without injury to our credit. I only ask for what I deem a safe extension of such notes, in such a form as to confer important benefits on the people. I know that in these days the question of circulation is subordinate to greater questions affecting credit, and that notes are little used in our greater commerce. But they have still a great function in daily life, and I should like to see them used more largely. To the rich man such a change may seem of little consequence, but I believe that it would be of use even to them, and that it would be an important convenience to the vast majority of our people.

Thirty-Six Banks.

Year.	*Authorised Issue.*	*Deposits.*	*Proportion of Issue to Deposits.*
1844	2,021,289	12,008,068	17
	Actual Issue.		
1874	1,746,245	43,342,294	4

Proportion of Deposits in 1844 to that in 1874 as 100 to 353.

Year.	*Exports and Imports.*	*Total Bank Note Circulation of United Kingdom.*	*Proportion of Exports and Imports to Circulation.*	*Increase in Note Circulation.*
1844	144,000,000 = 100	37,380,000	3¾	1844 = 100
1868	473,000,000 = 328	39,750,000	12	106
1874	607,000,000 = 421	43,910,000	14	117

Year.	*Authorised Issue of all Issuing Banks (except Bank of England) in England and Wales.*	*Actual Issues.*	*Proportion of Actual to Authorised Issue.*
1844	8,648,853	8,170,000	95
1859	7,708,288	6,430,000	84
1874	6,624,168	4,960,000	75
1882	5,942,515	3,300,000	57

Total Circulation of United Kingdom.

Year.	*Circulation against Gold.*	*Not against Gold.*	*Total.*
1845	7,336,000	31,312,000	38,648,000
1858	7,057,000	29,327,000	36,384,000
1874	14,848,000	29,031,000	43,879,000
1882	25,119,000	27,720,000	52,839,000

Total Note Circulation of England and Wales and of Scotland and Ireland.

Year.	*Total of England and Wales.*	*Total of Scotland.*	*Total of Ireland.*
1844	28,420,000	3,020,000	5,940,000
1858	26,288,000	3,926,000	6,183,000
1874	31,244,000	5,900,000	6,768,000
1882	39,973,000	5,609,000	7,255,000

Large and Small Notes, 1874.

	Under £5.	*£5 and over*
Scotland	3,900,000	2,000,000
Ireland	3,025,000	3,744,000

The following figures are extracted from the *Economist* of 2nd December, 1882:—

TOTAL OF UNITED STATES' CURRENCY.

	Nov. 1. 1879.	*Nov. 1.* 1882.
Gold Coin	70,136,000	113,421,000
Silver Coin	25.202,000	42,465.000
Legal Tender Notes	69,336,000	69,336,000
National Bank Notes	67,436,000	72,546,000
	£232,110,000	£297,768,000

This total is divided as follows:—

	Coin and Currency held by Treasury and Banks.		*Coin and Currency in actual Circulation.*		
Nov. 1st, 1879	89,347,000	+	142,763,000	=	232,110,000
Nov. 1st, 1882	110,490,000	+	187,281,000	=	297,771,000

COMPOSITION OF COIN AND CURRENCY IN ACTUAL CIRCULATION IN 1879 AND 1882.

	1879.	1882.
Gold	29,883,000	61,330,000
Silver	13,446,000	16,185,000
Notes............................	100,434,000	109,766,000
	£143,763,000	£187,281,000

COUNTERFEITS OF UNITED STATES NOTES REJECTED BY THE UNITED STATES TREASURY IN THE FISCAL YEAR ENDING 30TH JUNE, 1881:

No. of Notes Rejected.		*Denomination in Dollars.*		*Amount.*
22	...	1	...	22
21	...	2	...	42
108	...	5	...	540
51	...	10	...	510
52	...	20	...	1,040
95	...	25	...	2,375
953	...	50	...	47,650
2	...	100	...	200
1,304				$52,379

Placing them in the order of number of counterfeits—that is, placing first those notes of which most were counterfeited—they will stand as follows:—

Denomination in Dollars.		*No. of Notes rejected.*
50	...	953
5	...	108
25	...	95
20	...	52
10	...	51
1	...	22
2	...	21
100	...	2

Discussion on Mr. Fowler's Paper.

The Chairman: I very much regret that your President, whom we expected here this evening, has not arrived, more especially as he has made the subject of Mr. Fowler's paper so much his own. We have all listened with great interest to the able paper that has been read to us by Mr. Fowler, and we shall be very pleased now to hear any comments on it from any gentleman present. We are honoured this evening by the presence of the Governor of the Bank of England, and it will afford us great satisfaction to hear his remarks upon the subject.

Mr. Grenfell (The Governor of the Bank of England): As the Chairman has called upon me, and as, I presume, the object of these meetings is that the subjects dealt with should be thoroughly discussed, I shall venture to make a few observations to some extent in opposition to the proposition which Mr. Fowler has so well put forward, and with the view of showing what may be said on the other side of this important question. In the first place I was glad to hear Mr. Fowler say at the outset that he was still in favour of the Bank Act of 1844, and was still anxious to express his adhesion to the principles upon which that act was founded; because I confess that if he had not said so, I should have been led to infer from the contents of his paper that he was rather in opposition both to the one and to the other. The main principle upon which the Act of 1844 was founded was, according to its advocates, that the circulation of the country, whether paper or metallic, should contract and expand precisely in the same manner as if it were solely metallic; and though Mr. Fowler seems to be perfectly well aware that that was the principle embraced in this Act, I cannot help thinking that if he would follow out the consequences resulting from the proposition he has put forward, he would see that they would be in opposition to the Act and against its principles. In the history which he has given of the circumstances which led to the withdrawal of the £1 note in England, he has been perfectly accurate in all he has stated. It is unquestionably true that a great commercial crisis took place in 1793, on which occasion many issuing banks stopped payment, and that there was very bad banking in the country at that time. And it is also true that there have been several commercial crises since the abolition of the £1 note in this country. But I must remind Mr. Fowler that the cessation of the issue of the £1 note was part and parcel of the resumption of cash payments, in accordance with the Act of 1819, called "Peel's Act." When the time came to carry out the operations that were necessary in consequence of that Act, the Bank of England announced, before the day on which they were compelled by Act of Parliament to do so, that they were ready to pay gold for every note they had out, and the method which they pursued for that resumption of gold

payments was to pay gold out against every note brought in, and to abstain for the future from issuing any £1 notes. By that means they not only carried out the wish of the Government in respect to paying cash for any notes that were presented to them, but they organised a gold circulation which was to find its way into the pockets of all the lieges throughout the country. Therefore, though it is quite true that there was nothing in the Act of 1819 to force the Bank of England to resume cash payments by abstaining from issuing £1 notes, yet it was the corollary to that Act that they should carry it out in that way. When the panic of 1825 took place it was found that a large number of country banks throughout the country, all of which had continued to issue £1 notes and £5 notes, and upwards, were obliged to suspend payment, and it was in consequence of that feature in that great crisis—it was not the only feature in it, because there was an immense amount of commercial misfortune as well—but it was in consequence of that crisis altogether that Lord Liverpool wrote the letter to the Bank which has been quoted, in which, it is true, it is said it could not be shown that the £1 notes were "the sole, or even the main cause of the evil in England;" but part of that letter consisted of an announcement to the Bank of England of the intention of the Government to bring in an Act which would forbid the issue of £1 notes for the future. Several measures were then proposed, one of which was, that the Bank of England should give up its exclusive privilege which constituted it then the only Joint Stock Bank of the country; and another was, that the Bank of England should establish branches in different parts of the country; the intention being, that if the Bank of England gave up that exclusive privilege under which there should be no bank with more than six partners, the way would be opened for the founding of the system of Joint Stock Banks—a measure which has been so eminently successful as to create those great establishments which now surround the Bank of England in all directions. It was part and parcel of that great commercial and monetary policy that £1 notes should be abolished. I concur most entirely in all that has been said by Mr. Fowler with respect to the causes of the commercial crisis,—that they did not spring entirely, nor even greatly, from these banking operations. But in looking at the crisis of 1825, the distinction must not be forgotten between a bank stopping payment, with an issue of £1 or £5, and other notes, and a bank stopping without an issue; the great difference being, that when a bank of issue stops payment, it carries ruin to hundreds and thousands of people who have never knowingly had any transaction with that bank at all, whereas, when a bank without issue stops payment, the losers are only those who have, of their own accord, had transactions previously with such bank. The cessation of the issue of £1 notes was part and parcel of the policy initiated by the first Lord Liverpool

in his letter to the King; secondly, by Sir Robert Peel, in 1819; thirdly, by the letter of the second Lord Liverpool to the Bank, in 1825; and fourthly, by Sir Robert Peel, when, in accordance with the advice of men who had given great consideration to the question, such as Lord Overstone, Mr. Norman, and others, he passed the Act of 1844, which was considered at the time to be the culminating point of the policy on which to establish our currency. I concur entirely in what Mr. Fowler says in his history of the matter that both in 1826 and 1844 an attempt was made by the second Lord Liverpool and by Peel to stop the issue of £1 notes in Scotland; but the fact is, as Mr. Fowler says, the people of Scotland are not deficient in shrewdness. They found they were in possession of a good thing, and that it was a most convenient form of circulation for them. It is, in fact, based upon the gold circulation of England, and, without that, it would not be half so secure as it is. As was pointed out by Lord Liverpool we must not forget the peculiar qualification of the Scotch people for their banking system and for the administration of banks. The mode of carrying on banking in Scotland, ever since the days of Adam Smith, has been the subject of admiration, and I hope it will continue as long as the commerce of England and Scotland exist. So much for the connection of the policy of £1 notes in England with the basis of our present monetary system. I am far from denying that there would be a great convenience to many people of all classes to use notes instead of gold, though, as regards small sums I think it is quite as little trouble to carry five sovereigns as to carry five notes. I cannot see much difference in it, but that is not the gist of Mr. Fowler's proposition and it certainly is not in the change from carrying paper to carrying gold that the essence of the proposition consists. The essence of Mr. Fowler's proposition consists in a very large increase of the fiduciary issue, and I confess it is that which seems to me to require a great deal more consideration than I venture to think he has given it. His proposition is to issue 25 millions sterling more notes on securities, and he says that we could circulate at least £30,000,000 of £1 notes at all times. But supposing the convenience of notes as compared with the inconvenience of sovereigns is so great—and he instances their use in Scotland and the United States of America—the consequence probably would be that the £1 note would take the place of sovereigns everywhere. Suppose £100,000,000 of such notes were issued, with £25,000,000 of them on securities. Small notes to the amount of £100,000,000 would be issued by the Bank of England, or some other agency; we should have £75,000,000 more in gold in the vaults of the issuing office, wherever it was, and I presume that £25,000,000 would be exported. It would be, I believe, a diminution of £25,000,000 of the reserve of gold which exists in this country. We should export £25,000,000 of gold for the mere delight of those who are expecting a gold scramble. I see no suggestion in the

paper that this would be the case, and I do not know if Mr. Fowler has considered the point. It is true he says he is very much afraid of a redundant circulation. The fact is, that there would either be an increase to the circulation of £25,000,000; or, if not, £25,000,000 of gold would leave the country. That place would be occupied by £25,000,000 of securities, which would be in the hands of the issuers, whoever they were. The calculation as to profit can be easily made. The interest on £25,000,000 securities would be about £750,000 a year; but I do not suppose the cost of the notes would enter very much into the question. Numerous calculations have been made, which show that notes cost so large a sum under the present system of registration at the Bank of England, that they would give no profit at all. But I do not urge that in any way. I have no doubt means would be found to make the printing of them cheaper than it is now. I want rather to speak on the point which Mr. Fowler has more particularly laid stress upon, namely, the reserve of gold in the country, and, although it comes in at a later part of the paper, I will allude to it now because it comes into my argument. Supposing there are £120,000,000 in the pockets of her Majesty's subjects throughout the country, and that, of this amount, £100,000,000, or a great portion of it, were to go into the vaults of some central institution, I do not think it would be long before people would become impatient as to the existence of this large amount of gold in one place. Any minister seeking popularity, or any person with new-fangled notions about currency might declare it to be too large a reserve to hold, and I do not think it would be a great many years before some one would find some new scheme by which that reserve of gold would be diminished. Mr. Goschen, in the debate in the House of Commons, brought forward the idea that this reserve in the pockets of Her Majesty's subjects was an important reserve to hold in the country, in case of one of those alarming events which do happen to nations; and Mr. Fowler has given in his paper the answer of Mr. Gladstone, who says that a metallic circulation is not a reserve in case of monetary pressure "because, in point of fact, that large metallic currency is hard at work in the daily business of life, conducting the cash transactions absolutely essential to the operations of civil society." I am quite sure he must have misunderstood those who urge the importance of that reserve in the pockets of the people, when he seemed to fancy that the argument was put forward that in the case of a commercial panic such gold can assist in its relief. What Mr. Goschen meant by asserting his opinion of the advantage of that reserve being in the pockets of the people is what I have always meant by it, namely, that when an accumulation of troubles and dangers comes upon a nation, a reserve scattered throughout the country is a very good thing. Of this we have had an example in our own country, and we have seen it in France, and Russia, and America during her civil war.

Far be it from me to to say that a suspension of cash payments is a good thing, but as a bullionist I hold that it is not a bad thing in such a combination of dangers as assaulted the country in 1797, to have an immense gold reserve scattered through the country, which a suspension of cash payments attract to the centre of operations, thus giving the power to act offensively and defensively in such a manner as to bring out fully the strength of the country. That perhaps is, strictly speaking, not the subject of this discussion, but it is a high political question to be discussed by statesmen and politicians, and not solely by economists. I am firmly convinced that we should consider twice, three times, four times before we take away that strength which we have scattered throughout the country as it is, and which—if there was real danger at hand from which we are not absolutely free, say what you will—we might hope to find; of this strength those £100,000,000 or £120,000,000 scattered throughout the country would form a large part indeed. These are considerations which I have said, are wholly political considerations, but they were not, I think, entirely answered by those who took part in that debate when Mr. Fowler brought forward his resolution. Now Mr. Fowler has also said, "I hold to the gold basis as strongly as Mr. "Goschen or Sir R. Peel, but I say we can secure our currency "completely by the use of a smaller amount of bullion than we "now use, if only we will permit our people to follow the example "of their countrymen in Scotland and Ireland." Well, I confess, when I see daily and hourly complaints of the small amount of cash reserve held in proportion to the amount of transactions—the enormous amounts which the Clearing House shows to be the daily transactions of this centre in London—and when we consider the enormous deposits, all of which are payable in gold according to the contract which the banks hold everywhere, I confess I do not think that the use of a smaller amount of bullion is a thing to which we ought to resort without due consideration. Mr. Fowler then says—which is rather part of the same subject—that "when the "City of Glasgow Bank failed in 1878, under circumstances peculiarly "calculated to cause alarm amongst the people, the circulation was "not really affected." The fact is, that other banks came to the assistance, and also it was not only other banks in Scotland that come to the assistance, but the Bank of England—as the whole of the paper circulation of Scotland is founded upon the gold cash reserve in England. The effect of this paper circulation existing in Scotland really seems to be an additional reason, if there was one necessary, not to resort to such a scheme as the issue of £25,000,000 more of notes on securities, which is the basis of Mr. Fowler's proposal. There is not, of course, the slightest reason for saying that there is any particular danger, in a time of panic, in £1 notes, more than any other. It is quite true to say that all persons are sensitive as to the scarcity of money.

That is perfectly true; but in looking to the foundation upon which the whole of this complicated system rests, I should be sorry to see anything like a diminution of bullion in this country. I cannot help thinking that, if this subject was put forward seriously, and made the subject of lengthened inquiry, with the intention of putting the currency on a more uniform system throughout the three kingdoms, it is probable that some methods would be suggested which, perhaps, would not come into the heads of those who are anxious now for a recurrence to the £1 note circulation. The country bank circulation is a remnant which, after the Act of 1844, it was deemed improbable would last very much longer. For reasons which I need not go into it has lasted a great deal longer than was expected, and if we come to any proposal to put the whole of the circulation of the three kingdoms on a uniform footing I can hardly think it possible that the country issues in England would be allowed to continue. So far from believing that the country banks would be permitted to issue £1 notes, or assist in the issue of £1 notes, it is likely that the present issue, which is a sort of monopoly they have, would be stopped. If we turn to Scotland we find that the monopoly of the Scotch banks is a much more complete monopoly than that of the country banks in England, because a new bank in Scotland has not the slightest chance of obtaining business in Scotland without an issue, and as no further banks can be started as issuing banks in Scotland, so it turns out that the Act of 1845 for Scotch banks has secured a complete monopoly for the existing banks, and whereas in 1845 there were 30 issuing banks in Scotland, now I think there are only 9. I apprehend, from some papers written lately on the subject, the probability is that any inquiry would naturally end in putting an end to that bank monopoly in Scotland. I do not know that this forms exactly a part of this discussion, which is rather whether £1 notes are good things to have in England. I will therefore conclude by saying that it is impossible that a more interesting subject could have been put forward than has been brought before us by Mr. Fowler in regard to the fiduciary issue. In his proposal he has strayed from the principles of the Act of 1844, and I do not think, as approving of the Act of 1844, that I could support any such proposal. At the same time I am far from denying or disputing that the elastic nature of the commerce of this country would bear a much larger issue of notes than at present, and that they might be issued with perfect safety. But as so many other methods of economising money have been discovered which have enabled us to do without that increase of notes (such as the increased number of persons keeping their money with bankers than formerly was the case) so I believe it would be better to trust to ordinary economic processes to remedy existing evils than to resort to such a measure as that which has been proposed this evening.

Mr. Martin Wood: Nothing could be more suitable than this subject for discussion before this Institute; but I have been struck

in listening to the speech we have just heard, by the intense conservatism that inheres in the English banking system; and my appreciation, not to say admiration of that cautious spirit is increased when I see that it is needful at this time of day for Mr. Fowler or anyone to have to propose and argue out, bit by bit, so obvious an improvement in the method of applying to the circulation the principles of the Bank Act of 1844, as he had to day in urging that there should be £1 notes as well as £5 notes. Nothing could be more moderate, or more within a conservative line of policy. Mr. Fowler does not propose to affect your sacred gold standard in the slightest degree; and I think he will be able in his reply to show that he does keep well within the lines of the Act of 1844. Perhaps I may venture one or two remarks, in passing, by way of mild criticism. In that part of the paper where Mr. Fowler speaks of the £1 notes being deemed essential in the early part of the century "during the suspensions of cash payments in order to provide a supply of small money," I do not find anywhere that Mr. Fowler uses the term "inconvertible." It must be remembered that those £1 notes were inconvertible, and that must be considered in all discussions applicable to that period. That circumstance gave the government immense power in providing enormous outlay for the war; but the argument might be certainly put in a very different light from that in which it is used by Mr. Fowler. Then again, on the first page of the paper, speaking of the Act of 1844, Mr. Fowler does admit that the circulation is now in part "not secured at all," and you must always remember that part of your present Bank of England issue is inconvertible. While on this point let me just revive a sort of heretical proposition in currency which many of your older members will remember, and which I think we may hear of again, namely an issue of taxation notes. Briefly speaking, this plan consists in an issue of notes or legal tender money up to the amount of the taxation budgetted for the year. Now the mere mention of such a system may be enough to shock the minds of members of this decorous Institute, but still I believe the proposal can be defended by argument, and I shall be glad to elicit Mr. Fowler's ideas on such a scheme. With regard to Mr. Fowler's general remark, as to how few people care about these questions of currency, you must remember that the people who do care, or would care if they understood the question, are not here. They are the people of small means, and who deal in small transactions. There are several interesting circumstances connected with the paper currency system in India, which, as you will remember, was established by Mr. James Wilson. It is founded on a rigid system of issue against bullion and securities; but it only amounts to ten or twelve millions. Five-rupee notes are the smallest, but have only been in use a few years, previously to which the smallest were ten-rupee notes. There was quite a piece of work to obtain consent to the adoption of five-rupee notes; we had to

write about the subject and advocate it for years before that step could be taken; but even the five-rupee note does not touch the masses of India.

Mr. J. B. Martin: I feel that a certain responsibility attaches to to me on the question of £1 notes, because twice when I have had the honour of reading papers before this Institute—one on "Bank Notes," and the other on the "Gold Coinage"—I brought in the subject, as it were, edgeways, and put forward what was to be said on each side very briefly. I can appeal to the pages of our *Journal*, that on the last occasion I expressed a hope that this matter might be made the subject of a separate paper, and I am sure we are obliged to Mr. Fowler for having done so. I look upon this matter as one of convenience, not of theory, or of launching out into any new principle. The Governor of the Bank of England has made some remarks of the greatest value to us, especially as bearing—to use his own expression—on the high political aspect of the matter. In the few remarks I shall venture to make, I propose to touch rather on points of detail. As to "convenience," I would observe that there are three parties concerned. First, there is the convenience of the public that would have the handling of these bank notes as a form of currency; then there is that of the banking class, as a class; and thirdly, the convenience of the bank of issue. With regard to the convenience of the public, the question is, do they or do they not like £1 notes? Some people will express a strong opinion one way, and some another. Some will say, "Do you wish to thrust upon us those dirty bits of paper, offensive to the eye, the touch, and even the smell, with which some neighbouring countries are afflicted? We will have nothing of the kind." But there is, no doubt, some evidence of the want of a paper currency under £5. We have proof of that in the use of Post Office orders and postal notes; these are used very considerably, notwithstanding the expense of a large commission or poundage, and some trouble in getting them from the Post Office. Therefore I think it is an open question on which it is very difficult to express an opinion, whether the general public themselves want these notes. Then we come to the convenience of the second class, namely, the banking class. You remember that when the postal notes were instituted there was a considerable outcry against them on the part of the bankers by reason of the labour that would be entailed in entering all these small sums. But that has been got over like all other changes which at the time they have been instituted have been thought likely to occasion considerable trouble; we are now accustomed to them, and I daresay the bankers would get accustomed to the £1 notes that would pass through their hands. Then we come to the question of the issuing banks. At the present time these are some of the provincial banks, and the Bank of England. I think Mr. Fowler's paper refers especially to the Bank of England and

does not directly contemplate any issue of £1 notes by the country banks. It might be desirable to know what is the feeling of the provincial banks, and I had it in my mind to suggest that the Institute should send out a circular asking whether they would vote for or against the issue of £1 notes, but after what the Governor of the Bank of England has said, that if a proposal were made to give them the right of issuing £1 notes the whole privilege of issuing notes might possibly be taken away from them, I think we should hardly get an answer to our question, and therefore I am afraid my suggestion would scarcely be practicable, and so we must leave the country banks alone. Now we come to the Bank of England as a central bank of issue; the Governor of the Bank referred slightly to the conditions under which bank notes are issued by the Bank of England, and I have no doubt that if £1 notes were adopted the Bank would be able to make arrangements for issuing them. I speak, of course, with great diffidence in the presence of the Governor of the Bank, and I have had but little time to consider the matter thoroughly, but I may refer you to a paper read by Mr. Ernest Seyd before the Statistical Society in 1872. You will all remember Mr. Seyd as a man of the greatest energy, industry and enthusiasm, and the most painstaking compiler, although we may not all agree with his conclusions. I have not his argument fully at my fingers' ends, but his paper went to prove that the Bank of England actually issues its bank notes at a loss. If I can put the matter briefly I believe it was to this effect:—You have against the bank notes issued a certain amount of bullion lying idle, that earns no interest, and you have a certain amount of securities which earn 3 per cent., and against these you have the right of issuing £15,000,000 of fiduciary notes. The Bank of England, however, has to pay a large sum as composition in lieu of stamps, for we all know that a Bank of England note bears no stamp; and also to bear the expenses of printing and producing the notes, as well as all the departmental expenses connected with the issue, and besides that they always have a large number of notes unemployed. If you make deductions on account of these things, says Mr. Seyd, the figures prove that the Bank of England does not make any profit on these notes, but the reverse. I am aware that his figures and statements are not accepted absolutely, but nevertheless I strongly recommend a perusal of that paper to gentlemen interested in this question. There is another point which occurs to me also as a matter of detail, and that is, what the effect on the working of the Bank of England would be if they had to issue 15,000,000 of £1 notes in addition to the circulations at the present time. From some figures supplied me two years ago by the Bank of England I find that in 1878 the average circulation of Bank of England notes was £28,000,000; namely, about £11,000,000 in £5 notes; £5,000,000 in £10 notes; £8,000,000 in notes of £20, £50, and £100; £2,100,000 in notes

of £200, £300, and £500; and £1,800,000 in notes of £1,000 each. I have made a little rough calculation as to the number of actual notes represented by these amounts, and find that £11,000,000 in £5 notes means about two millions and a quarter of actual notes; that £5,000,000 in £10 notes means half-a-million of notes; that £8,000,000 in notes of £20 to £100 (taking an estimated mean average of £50) means one hundred and sixty thousand notes; that £2,100,000 in notes between £200 and £500 (taking an estimated mean average of £300) means about seven thousand notes, to which we must add £1,800,000 in £1,000 notes, or eighteen hundred notes; and, therefore, at that time the average circulations of the Bank of England consisted of something under three millions of bank notes.

AVERAGE CIRCULATION OF BANK OF ENGLAND NOTES IN 1878.

Denomination.	Total Value.	Average Value per Note (estimated).	Number of Notes.
£5	£11,038,000	£5	2,207,600
£10	5,069,000	£10	506,900
£20, £50, £100 ...	8,027,000	£50	160,540
£200, £300, £500 ...	2,125,000	£300	7,083
£1,000	1,798,000	£1,000	1,798
	£28,057,000		2,883,921

Now, if you had £15,000,000 of £1 notes, just think what an enormous addition to the staff would be necessary for carrying on registration in the way in which it is performed at present. You would increase the labour six times, and you would have six times as many notes in circulation as you have now, and the labour entailed on the Bank of England would be increased in proportion. The Governor of the Bank has just said that if any new arrangement was necessary for the public convenience, he had no doubt it could be made by the Bank of England, and I have no doubt that would be the case, but at the same time I would venture to point out that these £15.000,000 of £1 bank notes would raise the total issue from 3,000,000 to 18,000,000 of bank notes, and I think that would be a very serious tax on the arrangements of the Bank. I will not go into any further question as to the liability to forgery and so forth, which Mr. Fowler has touched upon, nor will I follow the Governor of the Bank in his remarks on the higher question of exchange and export of gold, but I would merely suggest that if such a change should be thought advisable, would it not be

better to begin in a more humble way by withdrawing a certain proportion of the existing notes, and without changing any amount of bullion, or of securities held against the fiduciary portion of the circulation, issue so many—say £1,000,000—£1 notes, on exactly the same terms as at present. I merely make this suggestion, and hope some other gentleman will throw some further light on this important subject.

Mr. Brett: There is one argument used in Mr. Fowler's paper which seems to me to overlook a very important distinction; I mean the distinction between legal tender notes of the Bank of England, and the notes of the Scotch and Irish banks, which cost nothing, in the way of interest, when held as "till money." It strikes me that the partiality of the Scotch people for £1 notes is very much the partiality of bank directors and shareholders, who appreciate the advantage of working with such inexpensive money. If their £1 notes were abolished altogether, and they had to deal with Bank of England notes of that denomination, they would not only lose the benefit of their circulation, but the idle money in their tills would cost them as much in interest as if it were actively employed, which would be a much more serious matter. The same remarks apply in some degree to the provincial banks of issue in England. For the general purposes of their business they need, as "till money," scarcely any gold, and still less Bank of England notes. I recollect, in my experience as an official of the National Provincial Bank of England in my younger days, that they had a great difficulty in keeping their circulation within the authorised limits, and it happened on one occasion, in a country town, that an order came down to the manager on the market day to issue no more notes, as the circulation was up to its limit, and a supply of Bank of England notes was sent him by post to pay away. The issue of Bank of England notes, however, almost created a panic in that country town. The country people insisted on having the usual notes of the National Provincial Bank, and were so suspicious about the strange notes, that the manager was obliged to violate his instructions, and issue the notes of his own bank in order to preserve the public confidence. My point is this: that a bank of issue dealing almost wholly with its own notes, suffers no loss of interest upon notes unissued, and that is the distinction I wish to ask Mr. Fowler to notice. The notes of the private banks are not a legal tender, and for practical purposes are mere waste paper, whereas the notes of the Bank of England represent so much money, and if they are locked up they involve a loss of interest.

The Chairman: Perhaps Mr. Brett will give us some information about the note issues in Australia.

Mr. Brett: In a paper which I had the honour of reading some time since before this Institute, I mentioned the fact that although Australia is really a land of gold, notes are still the favourite

circulating medium. A bank circulates very little gold indeed. The notes in circulation are about £5,000,000 in all the colonies together, and of this 60 per cent. are £1 notes. There is no doubt this is to be said in favour of £1 notes that they remain in the hands of the public longer than notes of other denominations. The larger the denomination of a note, the sooner the holder finds it necessary to break into it, but men will carry £1 notes in their pockets for a very long time without coming to the bank with them, and in Australia there is a great convenience in the issue of these notes. Mr. Martin Wood made a remark upon the expediency of taxing notes. That has been done in Australia to an extent which sweeps away all the profit. The tax in Queensland is 3 per cent., and in the other colonies of Australia 2 per cent., and this with the cost of issue of the notes amounts to 3 or 3½ per cent. With regard to the gold in circulation in Australia, it is in a very much better condition than any gold you meet with in England, and that is attributable in some respects to its suffering less from attrition in not passing from hand to hand so much, which is doubtless an advantage of a £1 note circulation.

Mr. Fowler, in reply: The Governor of the Bank of England will excuse me if I say he has not convinced me. Perhaps he did not expect to do so. But I am much obliged to him for attending to-day, and giving so much consideration to the question. I must absolutely demur to the statement that my proposition is opposed to the principles of the Act of 1844. I stated distinctly that if it were so I would have nothing to do with it. The Governor of the Bank said that any increase in the fiduciary circulation is opposed to the Act of 1844. I cannot see that it is. In my proposal a part of the note circulation is issued upon securities and the rest upon bullion, and that is the whole basis of the system under the Act of 1844, the object being that the variations of the circulation as a whole should be the same as they would be if the circulation were all gold. I say it would be exactly the same in regard to the £1 notes as I propose to issue them. If they were issued with proper prudence there would never be a note that would not be represented by securities or gold. There would never be a chance of any such notes being presented without gold at the bank to meet them. That is the very idea of the Act of 1844. But Sir Robert Peel laid it down that as you could not get a circulation less than 20 millions, therefore you might safely issue 14 or 15 millions on securities. That idea was a sound one, and I have adopted it in my paper, and therefore I must demur to the proposition that the increase of the fiduciary circulation is against the principles of the Act of 1844. It may for other reasons be inexpedient to adopt the proposal, but I do not think the principle is affected at all by the mere fact of the increase of the fiduciary circulation. The Governor of the Bank made some remarks with regard to the causes that led to the abolition of the £1 notes, and to the letter of Lord Liverpool. I gathered

that the letter of Lord Liverpool was troublesome, because Lord Liverpool laid it down that the issue of £1 notes was not the main cause of the crisis of 1825, for, as he said, in 1793 there were no £1 notes and yet we had a terrible convulsion, and, therefore, although the £1 notes might have had something to do with the crisis of 1825, there must have been other causes at work. They got rid of the £1 notes in 1826, and yet in 1837 there was another panic, and on that occasion when the Bank of England had neither notes nor gold they were obliged to seek the help of the Bank of France in their troubles. Whatever the causes may have been, although they had got rid of the £1 note, the Bank of England very nearly stopped payment at that date. What then happened? This Act of 1844 was passed, and since that time the Bank of England note has never been in danger.

The Governor of the Bank: When was it—in 1837?

Mr. Fowler: The Bank was not in danger in 1837 in one sense, because the Bank of England always had enough to pay people ultimately. But in 1837 the Bank was in a state of great peril, having neither notes or gold in the "till." To have neither gold nor notes was a position most objectionable, and a position of danger. That state of affairs was the immediate cause of the Act of 1844 being passed. Lord Overstone and others brought before the world the extremely preposterous position of 1837 and that led to a separation of the departments of the Bank by Act of Parliament. I entirely approve of that Act, but that law—as the Governor has pointed out—was not a complete settlement of the circulation question, because there was a great deal of unsecured issue still remaining in Scotland, in Ireland, and in the country banks of England. Sir Robert Peel did what he could, but he could not do everything, and he could not do all he wished, and perhaps this discussion may lead to the greater question which lies behind the one now being considered. Something was said also as to the Scotch notes being secured really by the gold in the Bank of England. I am not very careful as to that point, because I do not propose to issue a single note that is not secured by bullion or by securities. I am not asking for any extension of inconvertible notes, or unsecured notes, or anything of the kind. If I had done so, such an argument would be applicable, but it does not affect my point. The position of the Scotch notes is only useful as an illustration of the convenience of the notes, and of the attachment of the people as a matter of habit to £1 notes. Mr. Brett referred to what occurred in Australia, as a confirmation of that fact, and I think what he said was extremely interesting. But the Governor of the Bank of England is evidently afraid that the thing would be only too successful. He says it is more likely that we should circulate 100 millions than 25 millions. If so, I should be quite cheerful, and I should consider myself a public

benefactor, because we should not circulate 100 millions unless people wanted the notes on account of their convenience. Then, he says, there would be dangers of several kinds if it were successful to that extent, and one objection he makes is that somebody or other would be sure to want to get hold of that large sum of gold which would represent the notes, and would invade the sacred territory. But I may say, whoever did that would be responsible. On the other hand, if you found Parliament so foolish as to do that, I do not think I should be held responsible. Not very long ago, a gentleman remarked in this discussion that the conservative instinct in England was very powerful with regard to finance, and I have not the slightest fear of the danger which has been mentioned. It might be a very powerful argument to influence timid people, but it is not so to me, because I do not believe the English people would tolerate anything which would in any way endanger the circulation. The Governor of the Bank also said he considered a "scattered reserve" better than a collective reserve. That is the pinch of our difference—the scattered reserve against the collective reserve. Now, I have tried this in many ways, and I confess I do not see it. I look upon a reserve in the people's pockets as no reserve at all, except when you suspend cash payments, and come to what you may call a national crisis. I do not know that we ought to conduct our daily business in such a way as to be ready for a crisis that occurs perhaps only once in one hundred years. It would be a serious tax on the country if that were to be so. Then he referred to 1797, and said what an enormous power was given by the issue of inconvertible notes to collect the bullion. But what was the circulation of gold in 1797? If Sir Robert Peel was right in estimating that there were only 30 or 40 millions of gold coin circulating in 1844, what would be the amount in use in 1797? Probably much less than in 1844, but what would even the circulation of 1844 be when compared with the hundreds of millions spent in the wars which began in 1797, or about that date? I think we should not make too much of the 1797 case. While I admit that there is a temptation in the idea of people being able to get at this gold more easily, it must not be forgotten that if my scheme were adopted the gold would be in the Bank of England, and you could get at it there, and therefore it would be far more conveniently placed than if scattered in the pockets of the people, where it would take far longer to get at it. If you were to pass an Act of Parliament suspending cash payments you could get at the gold there and then, so that I think a collective reserve is more convenient, even for the purposes of national security, than a scattered reserve. The only thing where the Governor of the Bank of England really touched me was about the £25,000,000 which he says would be exported, and to that extent we should reduce the actual gold in the country. Well, I do not know that you need be very anxious about that £25,000,000. I look upon it as a mere

nothing compared with the question of the circulation and commerce of this country. I look upon it as utterly unimportant as compared with the total transactions. But if you sent 25 millions out of the country you would not send it away for nothing. You would buy something with it, and it would be something only not in the shape of bullion, and my assumption is that you do not want that bullion because you can issue bank notes upon securities which would always circulate for the full amount. I think it is a question more of feeling than argument. The commerce of this country and her credit do not depend upon a question of 25 millions in one form of property or another, but upon the way in which the business is conducted and on the credit of the country for wealth. Then the Governor of the Bank said—though I could not quite follow it—that the reserves of cash are already too small, and that you could not safely reduce the reserve in bullion. I think there is some confusion of mind in that. The reserves of cash may be too small for the trade, if the individual trades too closely, and does not keep cash enough. But that does not affect my argument, because that mode of training will go on just the same, whether you have these bank notes or not. This is going on now even with our conservative system, but my scheme would not give any more facility for that kind of operation than is given now. What is the cause that we have too little cash now? Why, that everybody when he goes to bed at night, likes to feel that all his money is employed. That is really the cause, but there would be no difference in that if we were to have £1 notes. We should be then no worse off in that respect than now. I look upon it that the fault of our system of carrying on business in this country is, that people think too much about losing interest, and do not think enough about keeping cash in hand, but I cannot see how an alteration with regard to the circulation and size of notes would in any way affect that question.

The GOVERNOR OF THE BANK: But it would affect the increase of the fiduciary issue.

Mr. FOWLER: I cannot see how that affects the question, because the Governor of the Bank has himself alluded to the daily habits of men of business, which would not be affected at all by the proposed change in the character of the notes. The large operations of commerce depend not upon the note circulation, but on the customs of men engaged in such operations, and I cannot see how a diminution in the bullion of the country would affect the habits of business men in any shape or way. If I am right, the 25 millions of which I spoke is now here, and doing work which paper would do with perfect security. If that is true, then there is a waste to that extent. If it is not so, and if our business cannot be transacted without the 25 millions, by all means keep it, but if I am right in the argument I have used, I believe we might do our business with less bullion and be just as safe in our transactions. Then, I think, the Governor

said something about deficiency of circulation being now filled up by other methods. I refer to that fully in my paper, and I have pointed out that it makes the note comparatively of less importance in the great commerce of the country. We have arrived at a system of banking so accurate, so exact, so complete in all its branches that we want less and less cash for the daily commerce of life. I have had a great deal to do with large operations now for a great number of years, and I can safely say that one can disconnt £50,000,000 of bills and hardly see a bank note. That is a fact. I admit all that, but what I say is, that I think our circulation is not as complete as our banking system. That is the point. My whole argument is to show that we do not use the circulation as we might do for the good of the whole country. I am much indebted to Mr. Martin for the argument he made use of as to the commissions now paid for the convenience of Post Office orders and Postal notes. The fact that, notwithstanding those charges, those postal notes are so generally used, is a strong argument to show that the English people would be like the Scotch and Irish if they had the chance. With regard to the question of the wear and tear of the sovereign to which I have referred, I have here put in my hands a calculation as to the expenses of the wear of the gold coinage to the country. It is said to amount to ·043 of a grain per sovereign per annum, which for a circulation of £100,000,000, comes to 4,300,000 grains at *2d.* a grain, or a total cost of £35,833 in the year. That is the cost of keeping up a gold coinage, according to this calculation.* Of course I only take it as a rough calculation, but it comes from Mr. J. B. Martin, a very high authority, as we all know, on this question. I have now only to thank you very much for the kindness with which you have listened to what I fear has been rather a dull paper. I am glad to have been able to be present to-day if in any way I have produced an interest in your minds on this important subject.

The CHAIRMAN expressed the acknowledgments of the meeting to Mr. Fowler for his valuable paper, and also to those gentlemen who had taken part in the discussion, and the meeting was then adjourned.

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* I am informed on the highest authority that £1 notes could probably be made and printed for ½*d.* a note. If so, and if £100,000,000 gold coin were replaced by a like amount in £1 notes, we should save an amount of gold which would pay for the manufacture of more than 17,000,000 notes, a number sufficient to maintain a very large circulation of £1 notes in good order. Should this be so, it would follow that almost the whole interest on the notes issued on securities would be saved, the cost of the whole issue being covered by the saving of wear and tear of coin.—W. F.

BANKRUPTCY REFORM.

FROM speeches which have been delivered by the President of the Board of Trade and others, there is reason to believe that the question of the Bankruptcy Laws will engage the consideration of the Government in the next session of Parliament and that it is probable that a Government Bill on the subject will be amongst the earliest measures presented. The Council of the Institute do not conceal the satisfaction with which they look for legislation on this subject; and, bearing in mind the clearly expressed opinions of bankers and many of the leading London merchants, in regard to it, which the Institute was instrumental in eliciting, and also the fact that the views thus enunciated were, for the most part, distinctly recognized by the Government in the Bankruptcy Bill which was brought in on April 8th, 1881,* they feel justified in expecting that the forthcoming legislation will effect a satisfactory solution of the difficult problems which are involved in this question.

In view, however, of the long delay which the events of the past two years have interposed since the matter actively engaged the attention of the members, the Council deem it not inopportune to re-state those points on which a decision was arrived at.

The two points to which greatest prominence was given were—

1. The examination on oath of the debtor and his affairs.
2. The discharge of the debtor by the Court alone.

The strong opinion formed on these two points resulted from a careful consideration of the whole subject, as brought out in the papers read and the several public discussions which took place; and so essential were they deemed to be, that they were embodied in a memorial to Mr. Gladstone, the First Lord of the Treasury, in the following terms:—†

"Your Memorialists are strongly of opinion that under no system, whether of Bankruptcy, Liquidation, Composition, or otherwise, should a Debtor obtain his discharge without an opportunity being afforded to the Creditors (subject to the control of the Court),

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* See *Journal*, vol. II., pp. 259-303.
† See *Journal*, vol. II., pp. 38-42.

to examine the Debtor under oath concerning his affairs and conduct, as provided under the existing Scotch Act, section 87 to 97. They are further strongly of opinion, that under no system should a debtor obtain his discharge except by an order of the Court, to be granted, qualified, or withheld in its discretion according to circumstances."

It will be remembered that this memorial was signed by all London bankers without exception, both private and joint stock, by many of the chief mercantile and discount houses in London, and by the principal colonial and foreign banks.

Following upon this memorial the Council put forward other suggestions, in which they harmonised some points which had been urged by the Bankers' Institute, with such of those suggested by the Incorporated Law Society and others, as the Council were prepared to adopt. These suggestions, in which special attention is also directed to the *status* of trustees, are as follows :—*

1. It is desirable that when a person becomes insolvent, there should be one uniform mode of commencing proceedings—viz., by Bankruptcy.

2. Proceedings in Bankruptcy ought to be commenced by a debtor by petition, followed by an immediate adjudication ; or by a creditor by petition, with proof of debt, and that the debtor has failed to pay the same within 14 days after demand, or has committed some other act of bankruptcy ; and the filing of any such petition should be a stay of all proceedings against the debtor without any formal application to that effect, unless and until the Court shall otherwise direct. Immediately after the filing of a petition by a debtor, or the adjudication on a creditor's petition, the debtor should be required to file in Court a list of his creditors, with the amount of their debts verified by affidavit ; but the absence of such a list should not delay the proceedings.

3. On a debtor being declared bankrupt, or previously, after petition, if the Court shall so order, his estate ought at once to be taken possession of by an independent receiver, until the appointment of a trustee.

4. Trustees should be appointed by the creditors for a certain fixed period, but should be eligible for re-election.

5. Trustees ought to give security in all cases, subject to the approval of the Court, and whether required by the creditors or not.

6. The remuneration paid to the trustee should be principally determined in relation to the amount of dividends distributed among the creditors, *i.e.*, by a commission, to be fixed by the creditors subject to review by the Court.

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* See *Journal*, vol. II., pp. 52-54.

7. Trustees, in all cases, ought to be subject to the control of, and required to render accounts to, the Comptroller in Bankruptcy, and the funds of the estate ought to be paid into a special banking account, under a penalty for neglect. The trustee's accounts ought to be made up at short fixed intervals, should be communicated to, or facilities granted for their inspection by, the creditors, and should be subject to an effective audit.

8. Every debtor ought as soon as possible after adjudication to be examined in Court upon oath as to his affairs and the causes which have led to his insolvency; and in such examination, any creditor should, subject to the control of the Court, be entitled to participate. Facilities ought also to be granted to every creditor for inspection of the debtor's books and accounts.

9. Partially-secured creditors ought to be entitled to participate in dividends and in the control of the proceedings for the unsecured portion of their debts, in accordance with the equitable system adopted under the Scotch Bankruptcy Act, and without being subjected to the penal consequences entailed upon them under the existing Rules of Court.

10. A bankrupt should remain liable for his debts until the Court of Bankruptcy, after hearing the creditors in open court, has given a discharge. Such discharge not to be granted or only to be granted subject to such conditions as the Court may impose with regard to his future property, if the Court shall find that the bankrupt has been guilty of over trading, or reckless speculation, or of conduct of a fraudulent character, or that he has not kept proper books, or has not made a complete surrender of his estate, or has not given full information relating thereto.

11. The 125th and 126th Sections of the Bankruptcy Act, 1869, as to liquidation by arrangement and composition, should be repealed, and all such arrangements ought to have the sanction of the Court of Bankruptcy, as being reasonable and in the interest of the creditors generally, after full disclosure and examination of the bankrupt, the 28th Section relating to compositions being amended in accordance with the same principle.

12. The power of the Court to make rules should be limited to technical details of procedure, and should not include the power of introducing new principles or modifying the provisions of the Act of Parliament, as at present.

13. The debtor's estate ought to be placed under the direct control of the creditors within as short a period as is consistent with the necessary formalities to be observed in calling them together.

14. Proofs of debt should [before a creditor is allowed to vote] be accompanied by the accounts and vouchers necessary to *prove* the same, as under the Scotch Act.

15. No person should be capable of being a trustee who holds an interest opposed to that of the general body of creditors, and a trustee or member of committee should be capable of removal by the same majority of creditors as that which appointed him.

16. The bills of solicitors and other agents employed by the trustee ought to be rendered at short and stated intervals, and ought to be taxed by the Court before payment. They ought also to be limited to strictly professional business, and should not include charges for work which ought to be done by the trustee. It should be made a criminal offence for any solicitor or other agent to share any portion of his remuneration with the debtor or the trustee.

17. The use of proxies should be limited either to a specific purpose at a particular meeting, or to persons in the regular employment of the creditor in his business, and proxies should only be used for the appointment of a trustee when the name of the person to be appointed is inserted in the proxy.

18. A certain number of the creditors may, at any time, be empowered to call upon the trustee to summon a meeting.

The Council have carefully re-considered the views which they urged in 1880, and also their criticism on the Bill introduced by the Government in 1881 (contained in a letter addressed to the President of the Board of Trade, on the 21st June, 1881),* and they see no reason now to alter the conclusions at which they arrived. Believing that no reform can be satisfactory or lasting in which these views do not find a place, the Council now re-state them, with the hope that they will be included in the forthcoming Government measure, and the desire that they may be steadily kept in view until they are incorporated in an Act of the Legislature.

For the convenience of those members who may desire to consult the records of the Institute in regard to this subject, the following outline is given of the occasions when it was dealt with :—

Bankruptcy Reform.—Paper by Mr. T. R. R. Davison, read 27th February, 1880, and discussion thereon. *Journal*	Vol. I.	pp. 369–401
Adjourned discussion thereon	„	„ 401–425
Practical Suggestions for the Improvement of Bankruptcy Law in England, chiefly founded on a comparison of the Scotch and English Acts.—A paper by Mr. John Smith, read 28th May, 1880, with discussion thereon .	„	„ 545–570

* See *Journal*, vol. II., pp. 435–436.

AUSTRALASIAN BANKING,

(Cable Transfers,)

By EDWIN BRETT, Esq., Fellow of the Institute.

In submitting to the Institute of Bankers this supplementary paper on a subject with which I have already filled so many pages of the Journal,* it is not my purpose to enlarge the historical narrative to which my original remarks were almost wholly confined, although the kindly interest evoked by that essay might fairly encourage me to record other incidents of the past, which the exigencies of time and space compelled me to omit. My object now is rather to grapple with practical questions which have lately been under discussion in the columns of the *Times*, *Daily News*, and *Statist* newspapers, and have thence been dealt with by "Two Bank Officers," in a pamphlet which they have issued. In these publications, however, and especially in the pamphlet, there have been grave misconceptions of the subject, and mistaken deductions from my own remarks, in reference to the working of "cable transfers," which I regard as one of the most important mercantile problems calling for solution at the present day.

Perhaps I ought to plead guilty to having sacrificed perspicuity to the necessity for conciseness, but I submit that there is nothing in the sentence at foot,† quoted from my paper (p. 20) to imply that any bank in Australia is in the habit of forwarding "blank bills" to its London office for the purpose of working "cable transfers," or of "keeping a supply of drafts, dated in Australia, on hand in London," for such use.

Finding, however, that a misconception of this kind had arisen, I addressed the following letter to the *Statist*, in explanation of the facts of the case :—

To the Editor of the *Statist*.

"Sir,—In your note on Mr. Cuthbertson's letter, in your issue of the 23rd instant, you rightly exonerate the Bank of South Australia from the 'charge' of 'keeping in London blank bills for the purpose of working cable transfers;' but when you add, 'Mr. Brett says that the practice is resorted to by some Australian

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* Part I, vol. IV.

† "Various devices have already been adopted for divesting cable transfers of their objectionable features, and in cases where such form of remittance is anticipated, the difficulty has been met by the Australian bank forwarding drafts to the London office, to be sighted and delivered to the payees, only upon receipt of subsequent advices by telegraph."

banks,' you fall into a serious misapprehension, which I must beg you will be good enough to correct. Certainly, it is not within my knowledge or belief that any bank in Australasia has forwarded 'blank bills' to its London office for any purpose whatever.

What I assert has been done is this: the bank in Australia draws in the usual manner on London, in favour of the specific correspondents of certain colonial constituents. and such drafts are complete in every respect; but, instead of being handed to the customer, they are forwarded by the bank to its London office or agents, with instructions to accept and deliver them to the payees only upon receipt of subsequent advices by telegraph. Therefore, if the drafts are not eventually appropriated to this particular purpose, they are useless for any other, as the payee's endorsement is necessary to their negotiability. The real object of the arrangement is simply to save the bank's constituents about forty days' interest, as they need not provide funds for the purchase of the drafts until the mail which carries them is nearly due in England.

It is not for me to pass judgment upon the plan in question, but I may be allowed to remark that if mercantile houses habitually trust to this method of remitting money, they may possibly find their finances deranged at some critical period by the untoward fracture of a cable, or other interruption of telegraphic communication.—I am, Sir, &c.,

London, December 26th, 1882. EDWIN BRETT."

In this letter, as will be seen, I made no mention whatever of the *terms* upon which a bank would afford its constituents the exceptional accommodation referred to, but as it has been assumed to be *without extra charge*, I desire here to state that I have not the slightest reason for believing that any bank has given, or will give to its constituents, all the advantages of a special privilege without some *quid pro quo*.

The misapprehension which I have here sought to dispel is the only instance which has come to my knowledge of the statements made in my paper having been misunderstood.

It is scarcely necessary for the present purpose to discuss the more or less clumsy devices which have been adopted for overcoming the manifest inconvenience of working "cable transfers" upon the *cash* basis, which is generally assumed to be essential to that system of exchange business. Sooner or later this axiom will have to be discarded and then the commercial world will revert to the fundamental principles of credit and currency which have found their active exemplification in bills of exchange, and have, at once, economized capital and facilitated mercantile transactions throughout the globe.

The annihilation of time by the electric telegraph affects only the transmission of messages and information; but the merchandize of the world and other ponderous bodies which have to cross the seas, can only be conveyed by ships which must still encounter all the perils of the deep and prosecute their weary voyages with what celerity they may. It is, however, upon these ships and their freight, that most of the exchange operations with foreign countries are based, and the essential function of bills of exchange is to allow time for the realisation of goods and their conveyance to the most suitable market.

Thus it is that a shipment of wool (for instance) from Australia to England is drawn against and "hypothecated" to the bank or merchant, who purchases the draft. This bill is forwarded to England by the quickest possible route, *i.e.*, by the overland mail steamer, but it is never made payable on "demand," whatever the position of the drawees may be. It will be drawn at the usance of 60 days' sight, or perhaps, at 90 days' sight, to allow of the merchandize, upon which it is based, arriving by a slower and more circuitous route, before the drawees' acceptance matures. The bank or merchant who has bought such a bill has taken steps to place funds in London, against which he can sell his own draft, and if this be done in the ordinary course of post, it is obvious that one transaction will cover the other, but the produce bill, purchased at 60 days' sight, will not be cashed in London for about 100 days,* and cannot therefore be regarded as an available fund upon which to base an immediate "cable transfer." In fact, in the absence of telegraphic advices, the very existence of such a bill will be unknown for the thirty-five or forty days occupied in its transmission to London, and the person to whom it is remitted will be unable to utilise it in any way until the mail arrives, when he will obtain acceptance, and with it the possession of a negotiable document which he can convert into cash, by discount or otherwise, when it suits his purpose. Of course it is not to be supposed that the ordinary exchange business of an Australian bank is carried on, week by week, as the mails depart, with a perfect equilibrium of drafts and remittances. This was impracticable even in the old days of sailing ships or uncertain steam communication, because the staple export of the colonies, wool, was only available as a medium of remittance or basis of exchange, during the two or three months of the year embraced in the shearing season. The banks' purchases at such a time largely exceed their sales, and thus funds are accumulated in London to be gradually absorbed by the drafts of subsequent periods, when the exports, and consequently the document bills which are purchasable, are of lesser volume and of inadequate amount to cover the drafts sold. The same influences are at work at the present day, as wool and grain are still only available for shipment in large quantities at shearing and harvest time, say from September to January. The perennial products of the colonies, such as gold, copper, tin, coal and other minerals, with tallow, hides, bark, preserved or frozen meat, &c., are in course of shipment all the year round, but they are of insufficient value to cover the drafts which the banks are required to sell to their importing constituents, with something approaching complete regularity of amount, at all seasons.

Such being the normal condition, both as to theory and practice, of the Australian banks' exchange business (without referring to other circumstances which were touched upon generally in my

* Sixty-three days maturing, and (say) thirty-seven days on the way home by the mail.

original paper (pp. 17–19), I now propose to shew that the substitution of "cable transfers" ou the *cash* basis, which is assumed to be essential to that method of remitting money, is not only a needless sacrifice of the economical advantages which have pertained to bills of exchange for hundreds of years, but that it is the adoption of a system which is necessarily costly in operation, and wasteful in results. The very knowledge that the electric telegraph can be called into requisition at any time to outstrip the steamship which is ploughing its tardy way over ten thousand miles of ocean, is a strong incentive to procrastination, and a merchant may well aspire to utilise the resources he has in hand, until their employment at the other end of the world is necessary, instead of locking them up for an intermediate period of thirty or forty days in the hold of a mail steamer. The marvellous inventions of the day enable him thus to dally with his business, but when the time arrives for making funds available at the other end of the world, there is no more reason why he should place his correspondent in possession of *hard cash,* if his advice be sent by telegraph, than there is for remitting a "*demand*" draft, if the advice goes forward in the ordinary course of post, arriving at the same time. No man of business having to remit money from Australia, particularly in large sums, ever thinks of purchasing a "demand" draft for which he would have to pay his bankers at least one per cent. more than the current rate of exchange for a draft at the usance of sixty days' sight—equal to six per cent. per annum for money in London, where a bank bill can usually be discounted at less than half that rate. Nor would it be at all advantageous for the recipient of his remittances, always to receive them in cash, which would probably have to lie idle for some time, or earn a comparatively low rate of interest until required for ultimate disbursement. Obviously, he is better off with good bank bills in his possession, which he can discount when cash is required, and hold without loss in the meantime. Why, then, should "cable transfers," which are practically nothing more than remittances advised by telegraph, instead of by post, always demand the expensive and immediate response of a *cash* payment to a specific person, when the delivery of a negotiable bill would be a more economical, and probably a much more convenient method of settlement for all the parties concerned?

In my original paper (p. 19) I ventured to suggest that an Australian Bank in London might, with perfect propriety, accept the draft of a person favoured by a cable remittance, just as it would accept the draft of its own colonial office to the order of such a person if the advice (accompanied by a draft) came forward by the mail, instead of by telegraph. It has been said, however, that this system "might lead to abuses," but as such a remark would apply with equal force to many other forms of mercantile credit which are in vogue throughout the world, the objection is of little weight. No

doubt "white paper" with the acceptance of a bank to a private drawer is, under the present condition of things, an unaccustomed object in the bill cases of the banks and discount companies, but there is no reason why it should be the object of suspicion or distrust. Such bills would *look* better if they were drawn on the coloured forms, which exchange banks affect, and in any case they ought, upon their face, to disclose their nature, together with the admission of value received by the acceptor. Thus a bill drawn and accepted in response to a cable transfer, might be in this form :—"Two (three or four) months after "date pay to my order the sum of —— pounds sterling, value "received by your Sydney (or Melbourne) office for remittance by "telegraph." When the *bonâ fide* character of such bills is freely admitted, they will soon make their appearance, and discounters, who have lately complained of bank paper being thrown out of circulation by the existing practice of responding to "cable transfers" in cash, and in cash only, will find the materials for their business re-assuming normal dimensions.

It is desirable that these sola bills should be drawn at so many "*months* after date," not only to distinguish them from the Colonial drafts, which, for obvious reasons, are drawn in sets at so many "*days*' sight," but because the due date of the former can be more readily computed, and may, in fact, be seen at a glance.

In a letter which I addressed to the *Statist* last November, I mentioned that perhaps the most serious disadvantage to the public at large which has resulted from the annihilation of time by the electric telegraph, is the wasteful necessity entailed upon bankers and merchants of keeping a large amount of unemployed capital available for responding to cable transfers, and I remarked that the "till money" thus locked up must amount to many millions sterling, which would otherwise be free for circulation in general business. The "Two Bank Officers," in their pamphlet, assert that "bankers will not be so hard pressed in this way as Mr. Brett seems to think," but the reason they assign for this conclusion involves a remarkable "*non sequitur*," for they allege, probably with some truth, that the Indian banks are not only amongst the largest customers which the bill brokers have, but that "on many occasions" they have contracted to discount their bills "to arrive" by subsequent mails. To me it seems not unreasonable to assume that if they are thus driven to melt their bills "red hot," they must be subject to even more pressure than I have supposed, and the inference is that their exchange operations are deranged by their being drawn upon for *cash* through the telegraph, whilst they receive the bulk of their remittances in document or other bills having some months to run to maturity. Surely this is one of the most palpable illustrations of the incongruous working of the existing cable transfer system, and it affords one of the most forcible arguments in favour of the method I have suggested.

I have discussed this subject, wholly from the Australian point of view, but I believe my remarks are equally applicable, *mutatis mutandis*, to the "cable transfers" of the Indian banks, and indeed to all such business throughout the commercial world in comparison with which the interest of the Australian colonies is really trifling.

I cannot but regret the aggressive tone which has characterized some of the suggestions which have lately been put forward. There is, indeed, one system of "retaliation" advocated which ought not to pass unnoticed, and that is the suggestion that the Australian banks should borrow money on 4 per cent. debentures at 97 for periods of ten or twenty years. It seems to me that this is nothing less than a proposal for creating a preferential class of creditors, for debentures are (rightly or wrongly) supposed to imply a special security over certain assets, as in a mortgage deed, and it is hard to conceive anything which would be more fatal to the reputation and business of a bank than the suggested installation of secured creditors within its walls.

THE ANNUAL REPORT OF THE COMPTROLLER OF THE CURRENCY OF THE UNITED STATES FOR THE YEAR 1881-2.

LARGE powers are entrusted by the United States Government to this officer, and the able use made of them by Mr. Knox, results in the addition of another of those comprehensive reports on the banking operations of the country to the series which, as years go by, will make the records of the United States on this subject peculiarly complete. Every student of English banking history will remember how quickly he comes to the end of any reliable statistics. And these even, till within a very recent date, were prepared with special objects for special occasions, and require great care in their use; whilst within a period compassed within the business life of many a man now living there were simply no statistics at all.

This report, like its predecessors, deals not only with the movements of what is generally understood by "currency," but with the banking operations of the country under every aspect. It is seen that the number of national banks organised during the year ending 1st November, 1882, has been 171, and as no fewer than 86 are in the Western States and 21 in the Pacific States and territories, it would appear that they furnish, if it be needed, another indication of the gradual advance of settled commerce in that direction. The total number of national banks has been raised to 2,269, which is the largest number that have ever been in operation at the same time.

Under the head of coin and paper circulation of the United States, the amount of the circulating medium of the country is given as follows:—

Treasury notes outstanding...	$346,681,016
National bank notes outstanding	362,727,747
Gold in the Treasury, less certificates held by the banks...	148,435,473
Standard silver dollars in the Treasury	92,414,977
Subsidiary silver coin and silver bullion in the Treasury...	30,761,985
Coin in the national banks	102,362,063
Coin in State and savings banks	17,892,500
Estimated amount of coin held by the people	387,562,793
Total	$1,488,838,554

This shows an increase over the amount held in January, 1879, of $433,000,000,—the increase in Gold being $288,000,000, in Silver $106,000,000, and in National Bank Notes about $39,000,000. The total amount of circulating medium would represent nearly $30, or £6, per head of the population.

Amongst many matters of wide interest Mr. Knox has much to say on the legislation of the past year, as it affects the National Banks, and also as to their future, especially in connection with the vexed question of their note issues. After discussing some of the many suggestions for supplying the deficiency in the bank note circulation which may arise as the Bonds, on which they are now based, are paid off, he concludes with the following remarks:—

"The national banking system has been in operation nearly twenty years, and may be said to have not yet attained its majority. It is part of the machinery of the government. Its advantages have been well tested in good and in evil times, and during the searching and acrimonious discussions of the last ten years, the final result of which has been the legislation of the present Congress authorizing the extension of the period of succession of each one of these institutions for twenty years from the date of the expiration of its corporate existence. The Comptroller, while he believes it is for the best interests of the government to continue the national banking system, subject to such improvements as shall hereafter be authorized by Congress, is after all of opinion that it would be better that the circulation should diminish in volume, than that the issue should be increased at the risk of placing in the hands of the poorer classes uncurrent and irredeemable circulation, or of giving to associations organized by unscrupulous men an opportunity to use an excellent system of banking for bad purposes."

The sentiment expressed here is admirable from one point of view. Mr. Knox may estimate in their true light the evils connected with "an uncurrent and irredeemable circulation in the hands of the poorer classes." But when he says that a diminution in the volume of the circulation would be the lesser evil, he leaves the matter pretty much where it was. It may safely be said that the country would not submit to such a result, however it may be regarded from a theoretical point of view. The whole question is a grave one, and the mere fact that an officer in Mr. Knox's position should consider it necessary to discuss seriously the impropriety of "an issue of circulating notes based upon the capital, the assets, and the individual liability of stockholders, without requiring, as heretofore, the actual deposit of securities in the Treasury for such issues," implies an uncertainty in regard to the future which must be injurious. The question cannot be viewed altogether apart from that power, possibly a diminishing power, hitherto exercised by the Secretary of the Treasury, of coming to the relief of the market in certain contingencies. That this power may have been so exercised as to ward of many difficulties is no doubt true, but it has not been without its dangers, not the least of which has been the staving off of the legitimate consequences from unwise positions, the uncertainty as to the course of events, and the speculation and reliance on exterior aid which always accompany the arbitrary act of any one individual. The changes which must be effected within no distant period cannot but cause grave anxiety, and the present report, in the attention which it directs to the absence of settled opinion in regard to the future note issue of the country, leaves certainly the impression that this anxiety is felt by those who have the deepest knowledge of the subject.

QUESTIONS ON POINTS OF PRACTICAL INTEREST.

THE COUNCIL desire to express their readiness to receive at all times questions which are of general interest, and in regard to which it would appear desirable to assimilate the practice of bankers.

The following questions have been received, and answers are appended, which, after careful deliberation, the Council have approved :—

QUESTION I.—Is it the usual practice of bankers to pay cheques presented with the word "pounds" omitted from the body, the amount appearing complete in figures, for instance "Sixteen four shillings and three-pence."

Would the banker be justified in refusing payment ?

ANSWER : A banker would scarcely refuse payment of a cheque on account of the accidental omission of the word "pounds" as quoted in this question.

QUESTION II.—Is there any judicial decision giving a customer of a banker an actual *right to demand* back from the banker what cheques he may have drawn without giving any receipt for them ?

ANSWER : The law with regard to the ownership of paid cheques is thus laid down by Chalmers in his *Digest of the Law of Bills of Exchange*, Second Edition, p. 237, viz., "A cheque on payment becomes the property of the drawer (*Regina* v. *Watts*), but the banker who pays it is entitled to keep it as a voucher until his account with his customer is settled (*Charles* v. *Blackwell*)."

QUESTION III.—Is a banker forbidden by the *Crossed Cheques Act* to pay over the counter a crossed cheque drawn upon himself if he is perfectly sure that the person presenting the cheque is the payee, and whether the fact of the payee being a customer or not in any way affects the case ?

ANSWER : By the provisions of the *Bills of Exchange Act*, 1882, which has superseded *The Crossed Cheque Act*, a crossed cheque can only be paid to a banker—in the event of a cheque drawn on a bank by one customer in favour of a another customer of the same bank, and crossed, the cheque could not be paid over the counter to the payee but would be placed to his credit.—See answer to Question 7, *Journal of Institute of Bankers*, vol. II, p. 305.

QUESTION IV.—In the event of a private country bank being converted into a limited liability company (since the passing of the *Bank Act*) does not its note issue become cancelled on account of the alteration ?

ANSWER : By the provisions of *secs.* 11 and 12 of the 7 *&* 8 *Vict.*, *cap.* 32, *The Bank Act* of 1844, a private country bank would lose its issue on becoming a joint stock company.

QUESTION V.—" A. A. & Co." accept a bill as follows :—
" Sighted 20th Dec."
" Accepted 21st Dec."
" A. A. & Co."
Is the due date taken from the sighted date or the accepted date ?

ANSWER : The due date is taken from the sighted date of the bill.

QUESTION VI.—Is it legal for a banker to refuse payment of an undated cheque ?

ANSWER : It is the general custom of bankers not to pay such cheques.

QUESTION VII.—Can a bank incorporated under Royal Charter, but not registered at Somerset House, demand payment of crossed cheques ?

ANSWER : It is the custom in London to pay crossed cheques only to bankers who are members of the Clearing House, or who have been registered at Somerset House as bankers. The Colonial, and other incorporated banks who are not so registered, clear their cheques through the London banks with whom they keep accounts.

QUESTION VIII.—A cheque is drawn by Brown, payable to "Jones or bearer." Under Brown's signature he writes "To be signed by the payee." Is the banker liable if he pay the cheque without endorsement ?

ANSWER : The instruction of the drawer, mentioned in the question, seems to override the tenor of the cheque, and to make it, in fact, payable to order, and therefore requiring the endorsement of the payee.

QUESTION IX.—Can a customer of a banker authorise a minor to sign cheques on his behalf, and is a banker justified in accepting the signature of an infant with the consent of the customer?

ANSWER: There is nothing which incapacitates a minor from being an agent, and if a customer of a bank authorises a minor to sign cheques on his behalf, the banker is justified in honouring cheques so signed.

QUESTION X.—How long after maturity is it customary for bankers to pay overdue bills, and is a banker bound to pay an overdue bill provided the acceptor has sufficient funds?

ANSWER: The acceptance by a customer of a bill payable at his bankers is authority to the banker to pay the bill out of money of the customer to the person who is holder of the bill and can give a discharge, but it seems doubtful whether a banker is *bound* to pay such a bill, unless an obligation so to do has been imposed upon him by special arrangement or by the course of business between the parties.

An arrangement under which a banker would engage to pay all his customers' overdue bills on presentation would, we apprehend, be exceptional, nor is it probable that the payment of overdue bills would be so common as that from the ordinary course of business such an engagement could be implied.

Our conclusion, therefore, is that, under ordinary circumstances, a banker would not be bound to pay a customer's overdue bill, although he would be justified in doing so. It would, we think, be prudent, in all cases where from lapse of time or other circumstances any intention to revoke the authority can be inferred, that the banker before paying such a bill should obtain the customer's authority.

QUESTION XI.—Is a bill drawn as follows:—

"Per pro the Midland Coal Co.
Jno. Smith."

without the parties designation in order?

ANSWER: Yes. If Jno. Smith holds a procuration there is no occasion for him to affix his designation.

Question XII.—A. and B. have an account at a bank in their joint names, for which both signatures are required. A. dies, and B. is informed that A.'s executors have forbidden the bank to part with the money. Is the bank justified in its refusal to pay the money to B.? Would it make any difference if each party had power to draw on the account separately?

Answer: In both these cases the bank would be justified in its refusal to pay.

Question XIII.—If a cheque on ourselves be paid in to an account, there being insufficient funds at the time to meet the cheque, should the cheque be returned unpaid at once? Or, if held, should the customer who pays it in be informed that the cheque is doubtful?

Answer: The cheque shall be held till the next day, and no information should be given to the customer paying it in.

LEGAL DECISIONS AFFECTING BANKERS.

Garrard *v.* Lewis.

(*Reported in the L. R., Q. B. D., Vol. X., p.* 30.)

The Defendant accepted a bill, on the body of which a blank was left for the amount, but in the margin of which were the figures £14 0*s.* 6*d.* this being the sum for which he desired to accept.

The Drawer filled in the blank for £164 0*s.* 6*d.*, fraudulently altered the figures in the margin to that sum and endorsed the bill to the Plaintiffs, who became the *bonâ fide* holders for value without notice of the alteration.

It had before been decided that where the amount in the body of a bill differs from the marginal figures the former will be deemed the amount for which the bill is accepted.

The Court considered :—

(*a.*) That the holder, in the absence of notice, would have had a right to neglect the marginal figure, if it had remained unaltered and to look only to the body of the bill.

(*b.*) That if the marginal figure had to the knowledge of the holder been altered, the body of the bill would not have been affected, unless the holder knew the alteration was improper.

(*c.*) *A fortiori*—That his right to look to the body of the bill would remain when, as in this case, he did not know that the marginal figure had been altered at all.

The Court, therefore, held that a man who gives his acceptance in blank holds out the person to whom it is entrusted as clothed with ostensible authority to fill in the bill as he pleases within the limits of the stamp, and that no alteration (even if it be fraudulent and unauthorised) of the marginal figure vitiates the bill as a bill for the full amount inserted in the body, when the bill reaches the hands of a holder who is unaware that the marginal index has been improperly altered.

GARRARD AND ANOTHER *v.* LEWIS.

Bill of Exchange—Acceptance in Blank—Effect of Figures in Margin—Fraudulent Alteration of Figures—Negligence.

The defendant signed an acceptance, the amount in the body of which was then left in blank, but in the margin of which were the figures 14*l.* 0*s.* 6*d.*, that being the sum for which the defendant desired to accept. He then handed the acceptance to the drawer, who subsequently filled in the blank in the body of the bill for 164*l.* 0*s.* 6*d.* and fraudulently altered the figures in the margin to that sum. The bill was then endorsed by the drawer to the plaintiffs, who took it bonâ fide for value for the larger amount :—

***Held*, that the defendant was liable on the bill for such larger amount, on the grounds that the marginal figures are not an essential part of a bill of exchange; that one who gives an acceptance in blank holds out the person he entrusts therewith as having authority to fill in the bill as he pleases within the limits of the stamp; and that no alteration (even if it be fraudulent and unauthorised) of the marginal figures can vitiate the bill as a bill for the full amount inserted in the body when it reaches the hands of a holder for value who is unaware that the marginal figures have been improperly altered.**

FURTHER CONSIDERATION, before Bowen, J. The facts sufficiently appear from the judgment.

April 29. *Charles, Q.C.*, and *Poole* for the plaintiffs. There was no alteration of the bill after its issue as a complete bill. The instrument when it left the hands of the defendant was a blank acceptance. The figures in the margin only amount to an instruction to an agent, which the agent did not follow. They form no operative part of the bill itself. It is well settled that, if the words in the body of the bill differ from the figures in the margin, the body of the bill must be looked to. The instrument could not have been sued on without the insertion of an amount in the body of it, a consideration which shews conclusively that it was a blank acceptance when handed to the drawer.

Secondly, the defendant is estopped from denying that the bill was accepted by him in its present state by reason of negligence. He entrusted the acceptance to the drawer in such a state as to admit of its being dealt with as it has been without the possibility of a *bonâ fide* indorsee's detecting the fraud. He therefore gave the opportunity for this fraud, and ought to suffer rather than the innocent holder for value.

[They cited *Ingham* v. *Primrose* (1); *Young* v. *Grote* (2); *Ex parte Swan* (3); *Swan* v. *North British Australasian Co.* (4); *Société Generale* v. *Metropolitan Bank* (5); Mason on Bills of Exchange, 41, 42; *Baxendale* v. *Bennet.* (6)]

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(1) 7 C. B. (N.S.) 82. (2) 4 Bing. 253.
(3) 7 C. B. (N.S.) 400; 30 L. J. (C.P.) 113.
(4) 2 H. & C. 175; 31 L. J. (Ex.) 425. (5) 27 L. T. (N.S.) 849.
(6) 3 Q. B. D. 525.

Bucknill, for the defendant. This instrument, when handed to the drawer, was not an acceptance in blank. It is contended that it might, without any amount having been inserted in the body, have been sued on as a bill of exchange. It is not necessary that the amount should appear in words. The instrument was an acceptance only for the sum in the margin. Therefore there was an alteration which avoided the instrument.

Secondly, with regard to the suggestion of negligence. It cannot be that in every case where it is possible to alter a bill fraudulently, the acceptor is bound by the bill as altered. The acceptor is not bound to contemplate a forgery. There can only be negligence where there is a breach of some duty. What duty was there in this case towards the plaintiffs?

Charles, Q.C., in reply. *Cur. adv. vult.*

Nov. 2. Bowen, L.J. (1) This was a action by the indorsees of a bill of exchange against the acceptor, tried by consent before myself without a jury.

The first ground of defence, that the acceptor's signature was itself a forgery, was abandoned at the trial. It remains for me to consider the second defence put forward, viz., that the bill after issue was altered in a material part.

The bill of exchange in question had been drawn by one Sidney Bees, four months after date, on the defendant; at the time when the defendant appended his signature to the document, the sum to be mentioned in the body of the bill was left in blank, but in the the margin of the bill were the figures £14 0*s.* 6*d.*, which was the sum for which the defendant desired to accept. Bees subsequently filled in the blank in the body of the bill for £164 0*s.* 6*d.*, and fraudulently altered the figures in the margin to that sum. Having done so, he indorsed the bill to the plaintiffs, who took it as *bonâ fide* holders for value for the larger amount.

It was contended before me on the part of the plaintiffs that the document at the time it was handed to Bees was, in spite of the marginal figures, an acceptance in blank, which did not issue as a bill till after the body of the bill had been filled in, and that the alteration of the marginal figures was not an alteration after but before or at the time of issue. Secondly, the plaintiff's counsel maintained that the defendant, on account of his own negligence, was precluded as against a *bonâ fide* holder for value from disputing what Bees had done. From the view I take of this case it is unnecessary for me to examine or refer to the series of cases cited before me, beginning with *Young* v. *Grote* (2), which deal with the question of negligence as applied to negotiable instruments.

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(1) In the interval between the argument and the judgment his Lordship had been appointed a Judge of the Court of Appeal.

(2) 4 Bing. 253.

It is, however, necessary that I should state what in my view was the character of the document when handed by the defendant in blank to Bees, and for this purpose to consider what is the exact import and effect of marginal figures at the head of a bill of exchange. They do not seem in general to have been considered among merchants as of the same effect and value as the mention of the sum contained in the body of the bill. The history of these marginal figures may perhaps be shortly summarized as follows :— The first model of a bill of exchange preserved to us, and which dates from 1381, does not, I believe, possess them, though it does possess the votum or invocation with which merchants' bills used generally to commence, and which usually preceded the figures. The marginal figure at the head of a bill, which has since become a matter of common usage, was probably added at a very early date, in order that the amount of the bill might strike the eye immediately, and was in fact a note, index, or summary of the contents of the bill which followed (So; Nouguier, Lettres de Change, ed. 1875, p. 127; "Les Chiffres ne sont que pour simple note.")

Heineccius, who treats such marginal figures as part of the lemma or heading, does not speak of them as an essential part of the bill, and the fact that by the law of some countries the amount of the bill was necessarily repeated both in figures and in words is adduced by him as a reason for this view (ed. A.D. 1769, cap. IV, s. 5. See also cap IV, s. 12). "Denique sollemne etiam est campsoribus sub finem lemmatis cifris exprimere summam solvendam, addito monetæ genere, quo exactori sit satisfaciendum: quamvis hoc requisitum vel ideo essentiale dici nequeat, quod summa in ipsis litteris cambialibus bis exprimi solet.

"Hoc requisitum non esse essentiale vel inde patet, quod ipse acceptans hanc summam supplere potest, quum tamen debitor sine falsi crimine in ipsa obligatione nihil mutare possit. *Adiicitur ergo summa magis notitiæ, quam necessitatis, caussa.*"

Marius, the first English writer on the subject (2nd ed. A.D. 1655, p. 34) in explaining that the words in the body are in case of difference to govern adds: "The figures at the top of the bill do only as it were serve as the contents of the bill and a *breviat thereof*, but the words at length are in the body of the bill of exchange, and are the chief and principal substance thereof, whereto special regard ought to be had." The substance of this passage is reproduced by Beawes, s. 193. Story (Bills of Exchange s. 42) deals with the matter as follows: "The sum is sometimes *also* expressed in figures in the superscription as well as in the body of the instrument in letters for greater caution. But if the sum in figures on the superscription differs from the sum in words in the body of the instrument the letters will be deemed to be the sum."

This view has received judicial sanction in the case of *Saunderson v. Piper* (1), where a bill containing 245*l.* as a marginal figure, but "two hundred pounds" in the body of the bill in words was held to be a bill for the latter sum. The case of *R.* v. *Elliott* (2) is distinguished and explained by Tindal, C.J., in *Saunderson* v. *Piper* (3). Let us now apply the above proposition to the case of a document like the present, signed originally in blank with a marginal figure or index which has since been improperly altered.

A document, which contains such a marginal index, but in which a blank is left by the acceptor to be filled in with the dominant and all important statement in the body of the bill defining the amount for which it is accepted, is not a perfect bill till this dominant portion of the bill has been filled in. The document is not invalid simply because it is incomplete. It creates certain rights and obligations just as a blank acceptance does.

But, as the blank is presumably intended to be filled with something, the document, till this "something" has been added, is not complete. Nor is the question merely what is the actual limit of authority conferred by the acceptance in blank of such a document on the person to whom the acceptor hands it, but, rather, what authority the acceptor by his conduct holds out that person as possessing when his bill has reached the hands of innocent holders who do not know that the actual authority conferred is a limited one only.

Let me assume first a case in which no marginal figure exists at all, but in which a blank acceptance is left to be filled in, but which is subsequently filled in with a sum in the body of the bill larger than that which the acceptor has actually directed.

It is plain, I think, that in the hands of a *bonâ fide* holder for value without notice, a bill so filled in binds the acceptor to the full amount.

Next, let me assume a case of a similar excess of authority where, however, a marginal index exists on the bill for a smaller sum than that which has been subsequently placed in the body of the bill.

Is the apparent and ostensible authority of the drawer to whom the acceptance was intrusted in blank necessarily limited by the figure in the margin when the holder of the bill is acting innocently and in good faith? I think not. For it is conceivable that, after the bill was signed in its original form, the acceptor may have changed his mind, and authorized the drawer to disregard the index and to fill in the body of the bill with a larger amount. If the acceptor had in fact authorized this to be done, surely he could not, as against a subsequent holder, deny that the bill for the larger amount inserted by his

(1) 5 Bing. (N.C.) 431.
(2) 1 Leach (C.C.) 175.
(3) 5 Bing. (N.C.) 431.

express direction was his bill simply because the marginal figure had been left unchanged: *Saunderson* v. *Piper* (1) seems to shew this much at all events.

Yet, if the holder in the absence of notice would have a right to neglect the marginal figure if it remained unaltered, and to look only to the body of the bill, it would seem next to follow that, even if the marginal figure was altered, the holder would have a right in the absence of notice to assume it was altered properly. The holder's right to look to the body of the bill would not be affected by such alteration, if he did not know the alteration was improper. *A fortiori*, his right to look to the body of the bill would remain the same when he did not know that the marginal figure had undergone any alteration at all.

I arrive at the conclusion that a man who gives his acceptance in blank holds out the person to whom it is entrusted as clothed with ostensible authority to fill in the bill as he pleases within the limits of the stamp, and that no alteration (even if it be fraudulent and unauthorized) of the marginal figure vitiates the bill as a bill for the full amount inserted in the body, when the bill reaches the hands of a holder who is unaware that the marginal index has been improperly altered.

For these reasons the plaintiffs in this case would seem to be entitled to succeed, and judgment must be entered for them with costs.

Judgment for the plaintiffs.

Solicitors for plaintiffs: *Gregory, Rowcliffes, & Co., for Beckingham.*
Solicitors for defendant: *Crowder, Anstie, & Vizard, for Davis.*

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(1) 5 Bing. (N.C.) 431.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000=£1,000,000.

For the weeks ending	1882. Dec. 27. 1	1883. Jan. 3. 2	1883. Jan. 10. 3	1883. Jan. 17. 4	1883. Jan. 24. 5	*1882. Jan. 25. 6*
BANK OF ENGLAND.						
Issue Department.	£	£	£	£	£	*£*
Notes issued	35,407	35,477	35,631	36,212	36,697	*35,198*
Government debt	11,015	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,735	4,735	4,735	4,735	4,735	*4,735*
Gold coin and bullion	19,657	19,727	19,881	20,462	20,947	*19,448*
	35,407	35.477	35,631	36,212	36,697	*35,198*
Banking Department.						
Liabilities.						
Proprietors' capital	14,553	14,553	14,553	14,553	14,553	*14,553*
Rest	3,076	3,186	3,332	3,363	3,370	*3.396*
Public deposits	6,951	6,290	4,533	3,611	3,747	*4,234*
Other deposits	21,876	25,927	23,038	24,181	23,906	*23,747*
Seven day and other bills	173	219	201	223	184	*195*
Total	46,629	50,175	45,657	45,931	45,760	*46,125*
Assets.						
Government securities	11,881	11,376	13,776	13,075	12,585	*12,712*
Other securities	24,796	29,115	21,407	21,478	20,798	*22,437*
Notes	9,714	9,057	9,737	10,586	11,516	*10,023*
Gold and Silver coin	738	627	737	792	861	*953*
Total	46,629	50,175	45,657	45,931	45,760	*46,125*
Notes in the hands of the Public	25,693	26,420	25,893	25,626	25,181	*25,175*
Reserve	10,452	9,684	10,474	11,378	12,377	*10,796*
Proportion of reserve to liabilities (per cent.)	36·04	29·85	37·75	40·60	44·46	*39·*
Rate of discount	5 %	5 %	5 %	5 %	4 %	5 %

	Dec. 28.	Jan. 4.	Jan. 11.	Jan. 18.	Jan. 25.	*Jan. 26.*
RATES OF EXCHANGE ON LONDON.						
Paris, cheque— (par £1=25f. 22½ c.)	25·21	25·22	25·22	25·19½	25·20	*25·15*
Berlin, 8 days— (par £1=20m. 43 pf.)	20·31	20·32½	20·34	20·36	20·40	*20·40*
New York, 60 days— (par £1=$4·867)	4·80	4·80	4·81	4·82	4·82½	*4·84*
Calcutta, 4 m/d— (per rupee)	1s. 7$\frac{1}{16}$d.	1s. 7$\frac{1}{8}$d.	1s. 7$\frac{3}{16}$d.	1s. 7$\frac{5}{32}$d.	1s. 7$\frac{3}{32}$d.	*1s. 8$\frac{1}{32}$d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus: £1,000=£1,000,000.

For the weeks ending	1882. Dec. 28. 1	1883. Jan. 4. 2	1883. Jan. 11. 3	1883. Jan. 18. 4	1883. Jan. 25. 5	*1882. Jan. 26.*
BANK OF FRANCE. (Converting the franc at 25 to the £)						
LIABILITIES.	£	£	£	£	£	*£*
Public deposits	11,786	9,889	8,986	8,575	9,098	*16,746*
Private deposits	16,206	17,184	15,973	15,749	17,153	*22,742*
Notes in circulation	111,614	114,319	116,495	117,591	115,981	*114,093*
Other items	12,383	12,867	12,716	12,824	12,360	*12,653*
Total	151,989	154,259	154,170	154,739	154,592	*166,234*
ASSETS.						
Gold	38,579	38,196	37,899	37,981	38,175	*27,477*
Silver	43,651	43,311	43,183	43,178	43,179	*45,966*
Bills	40,873	43,204	44,273	45,062	44,008	*60,797*
Advances	16,786	17,405	17,059	16,876	16,843	*20,256*
Other items	12,100	12,143	11,756	11,642	12,387	*11,738*
Total	151,989	154,259	154,170	154,739	154,592	*166,234*
Rate of discount	3½%	3½%	3½%	3½%	3½%	*5%*
	Dec. 30.	Jan. 7.	Jan. 15.	Jan. 28.		*Jan. 23.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)						
LIABILITIES.	£	£	£	£		*£*
Notes in circulation	41,556	40,696	38,270	36,853		*37,798*
Current accounts	10,706	10,031	9,621	10,523		*7,891*
Other items	6,971	6,940	6,925	6,920		*6,852*
ASSETS.						
Coin and bullion	27,936	28,657	29,639	30,472		*26,937*
Bills and Loans	28,010	25,421	21,585	20,453		*21,461*
Other items	3,839	4,128	4,151	3,986		*4,718*
Rate of discount	5%	5%	5%	4%		*5%*
	Dec. 27.	Jan. 3.	Jan. 10.	Jan. 17.	Jan. 24.	*Jan. 25.*
MISCELLANEOUS.						
Clearing-house returns	73,523	143,920	117,681	136,912	100,884	*99,637*
Average price of wheat	41s. 6d.	40s. 11d.	40s. 7d.	40s. 0d.	40s. 0d.	*46s. 1d.*
Price of consols	101	101¼	101⅛	101½	102¼	*100*
Bar silver, fine, per oz. standard	50d.	50¼d.	50¼d.	50⅛d.	50⅜d.	*52d.*
3% French Rentes	79·80	79·40	79·60	79·10	77·35	*82·12*

NOTES ON SOME RECENT PAMPHLETS, PAPERS, &c.

*The Ratio between Gold and Silver.**

THE International Monetary Standard Association have republished, in the form of an occasional paper, three letters by Mr. Henry Hucks Gibbs, which appeared in the *Economist* of the 7th, 14th, and 28th of October last. They contain Mr. Gibbs' reply to the two following propositions put forward by the *Economist* in some remarks on Mr. Bonamy Price's address at Nottingham in the previous month :—

1.—Why 15½ is to be the ratio between gold and silver, when 18 to 1 is the existing market price of silver.

2.—The necessity of bringing all nations, and not only the commercial ones into bimetallic union.

The replies contain no really new arguments. That given to the first point is, in effect, that 18 to 1 is *not* the true comparative value of the two metals existing and likely to exist, supposing both to be in full work at all the occupations for which mankind has adopted them ; and that as there has been no *natural* cause which has altered the relative value attached to the two precious metals twelve years ago, the removal of the *artificial* cause by which this relation was disturbed, would restore the former ratio of 15½ to 1, which long experience proved to be a just one.

To the second proposition Mr. Gibbs opposes the impossibility of two prices for either silver or gold existing at the same time in different places. Assuming that a fixed ratio were established in commercial countries, he holds that, under the ordinary circumstances of commerce, this ratio must of necessity exist outside their limits.

The propositions and the answers to them may raise no new points in the controversy ; but as the letters contain the well-weighed views of one of the principal upholders of the bimetallic theory on the two most vital points at issue, and as these are stated with peculiar freshness, and admirable simplicity and clearness, their publication in this collected form may be useful to those who study the question.

Australian Banking.†

THE interest which has arisen lately with regard to questions connected with Australian Banking, following the paper read by Mr. Brett before the Institute, on 18th October last,‡ has given rise to a considerable number of comments in the public press. This publication, under three heads, of Telegraphic Transfer of Money, Income Tax, and Competition, reproduces many of the opinions which have been expressed, and in turn comments upon them. This is not the place to discuss the points which have been raised, but it need scarcely be said that many of of the conclusions which the "two officers" have arrived at will not be generally accepted. It will be seen, indeed, that in several instances they have been controverted by Mr. Brett in an addition to his paper, which will be found in the present number of the *Journal.*

One great merit of the publication under consideration is its brevity, and another the clearness with which the author's views are expressed. Many will think that the "two officers" have been rather too ready to obliterate the boundaries between banking and that class of business connected in the mind with finance companies. But this, perhaps, results in a measure from the business which these banks are called upon to perform, and perhaps, too, from the keen commercial instinct of the writers. It is certain, however, that the true distinctions will not be lost sight of by the Australian banks, which have hitherto sustained so high and honourable a career.

* An Occasional Paper, issued by the International Monetary Standard Association.—Effingham Wilson, Royal Exchange.

† Australian Banking : a few remarks in reference to current questions. By two Bank Officers. Effingham Wilson, Royal Exchange.

‡ *See* Journal for January, 1883.

VOL. IV. PART III.

The Institute of Bankers.

Sir JOHN LUBBOCK, Bart., M.P., President, in the Chair.

ON THE THEORY AND PRACTICE OF BANKING IN SCOTLAND.

By JAMES SIMPSON FLEMING, F.R.S.E.,

President of the Institute of Bankers in Scotland.

[Read before the Bankers' Institute, Wednesday, Jan. 17th, 1883.]

IN response to the invitation with which your Council has honoured me, I am now to have the pleasure of addressing you on the Theory and Practice of Banking in Scotland. I do not propose to spend time in the search for a true scientific theory of banking, for I doubt if it is to be found. Banking cannot yet be classed among the exact sciences, and in it, as in most of the vocations of life, practice and theory have an awkward habit of overlapping and modifying and controlling each other. The goldsmiths, who long ago engrafted on their calling the money dealing out of which great banking houses sprung, did not, we may safely say, concern themselves much with theory. They practised banking in the form dictated by the circumstances in which they were placed; their root principle being, first to establish, and then to maintain confidence or credit,—profit being their practical end and aim.

But we are, I think, interested in ascertaining whether, when banks were first established by public authority, the State had any conception or theory as to the nature of the business of banking, and as to the factors by whom the business was to be carried on. These two points embrace all of theory with which I mean to trouble you as bearing upon the mould in which Scottish banking was originally cast, and which has shaped its course down to the present day.

In a country with a revenue scarcely exceeding £100,000, it required no inconsiderable faith in future progress to justify the setting up of a bank. In truth, the Bank of Scotland was not of Scottish birth. The establishment of the Bank of England in 1694 gave the impetus, and enterprising Scotsmen in London, aided by an English financier, were the authors. We have, therefore, to look to the constitution of the Bank of England for the earliest formulated theory of banking, and that is somewhat hazy. This is not to be wondered at, for the establishment of the Bank was altogether subsidiary to the raising of money for carrying on the war against France. An Act was passed (5th William & Mary, cap. 20, 1694) granting Taxes on Beer, &c., and with these taxes as security, and a Charter as the bribe, a sum of £1,200,000 was speedily placed at the service of the Crown. On this rather ignoble foundation was reared the greatest Bank that has ever existed. Its powers are implied rather than expressed. The Legislature was jealous of the Crown, and, therefore, the Bank was prohibited from purchasing Crown lands or lending money to the Sovereign without the authority of Parliament. Equal jealousy was shown of the Bank becoming great traders, and "to the intent that their Majesties' subjects "may not be oppressed by the said Corporation, by their monopo-"lising or engrossing any sort of goods, wares or merchandises," the Corporation was prohibited from all dealing or trading, directly or indirectly, in such goods. Enforcing these prohibitions by heavy penalties, the Act provides that they should not be construed to hinder the Bank from dealing in bills of exchange, buying or selling bullion, and selling goods left in pledge and unredeemed. Similarly the power of the Bank to issue notes is implied, for it is enacted that "bills obligatory and of credit" granted by the Corporation should be assignable by endorsement.

The Scottish Parliament in 1695, naturally adopted the English Act as its model, as regarded the theory of banking, and surrounded the Bank of Scotland with the same jealous prohibitions. Its powers, although somewhat more explicit, were still matter of exception from prohibition rather than of express enactment. It was prohibited from all commerce, traffic, or trade, "excepting the trade of lending and "borrowing money upon interest, and negotiating Bills of Exchange "allenarly, and no other." No express authority was granted to issue notes, for that was assumed as inherent in the power of banking, but a summary mode of recovering payment was enacted. The outstanding peculiarity in the Act is the monopoly conferred on the Bank for a period of twenty-one years, a privilege not originally granted to the Bank of England.

In 1727, the members of a previously existing parliamentary corporation, called The Equivalent Company, which sprung out of the Union of England and Scotland, were incorporated under the name of The Royal Bank of Scotland. By its Charter, His

Majesty granted "unto the said Company of The Royal Bank of "Scotland and their successors for ever, full power and liberty to "exercise the rights and powers of banking in that part of his "United Kingdom called Scotland only, and in particular to lend "to any person or persons, bodies politic or corporate, such sum and "sums of money as they shall think fit, at any interest not exceeding "lawful interest, on real or personal security, and particularly on "pledges of any kind whatsoever, of any goods, wares, merchandises "or other effects whatsoever, in such way and manner as to the "said Company shall seem proper and convenient, and that the said "Company may keep the money or cash of any person or persons, "bodies politic and corporate whatsoever, and may borrow, owe, or "take up in Scotland, on their Bills or Notes payable on demand, "to be signed in such manner and by such persons as the Court "of Directors hereinafter mentioned shall direct and appoint, or in "such other manner as the said Court of Directors shall think fit, "any sum or sums of money whatsoever."

I have quoted this clause at length because we have in it for the first time, a clear, express, and authoritative definition of what the State then understood to be comprehended within the business of banking. We occasionally hear, now-a-days, that banks of Issue *usurp* the privileges of the State. Of usurpation, at all events, they are by this definition, proved to be innocent.

I would say, then, that the State theory of the business of banking in Scotland at the outset, was in exact correspondence with what ever since has been the popular theory, and that it included, as to this day it includes, these three elements: (1.) Issue of bank notes; (2.) Deposit—not in the legal sense of mere custody, as in some of the ancient banks of the Continent, but in that sense where the relation of debtor and creditor is established between the banker and his customer; and (3.) Loan and Discount.

We have next to see by whom, in the contemplation of the State, this business was to be carried on.

The Bank of Scotland and the Royal Bank were from the outset pure corporations. Such a corporation could only be created by the Crown or Parliament, and only by Parliament if it was to enjoy any monopoly. Once created it was a distinct *persona* in the eye of the law, with absolute individuality, capable of contracting through officers, and of holding property, and liable, like every other individual, for its own debts, to the full extent of its own means. It was not a partnership. The members of the Corporation were liable to it for their respective subscriptions to its capital, but were to no extent liable for its engagements. These peculiarities of a corporation, although well recognised by lawyers for centuries, have, from the growth in modern times of large and important joint stock companies, been somewhat lost sight of. But their reality and importance received fresh

illustration in some of the litigations which ensued on the failure of the City of Glasgow Bank, and the most eminent lawyers on the bench of the Supreme Court of Scotland, and in the House of Lords, had occasion more than once to deal with the peculiar position of corporate bodies, and to re-state the incidents of incorporation to which I have referred.

Of these old corporations proper—of which many were constituted—only five were established as banks in the United Kingdom, and they all still exist. The Bank of England was the first, the Bank of Scotland and the Royal Bank of Scotland followed, the fourth was the British Linen Company, established in 1746 as a manufacturing company, but long since recognised as a bank, and the fifth was the Bank of Ireland, incorporated in 1783.

It is outside of my subject to refer to the monopoly conferred on the Bank of England and the Bank of Ireland. No such privilege interfered with the development of banking in Scotland, and the business there was at common law free to any person who chose to engage in it. But for a century it was the avowed policy of the State, while respecting the freedom of individual traders, or private partnerships, to suppress all attempts to establish joint stock companies. The disastrous results of the South Sea mania led to the adoption of this policy, to which effect was given by the passing in 1726 of what in history is known as the Bubble Act (6 Geo. I., cap. 18). On the recital that in many cases undertakers or subscribers had, since 1718, presumed to act as if they were corporate bodies, and had pretended to make their shares transferable or assignable without any legal authority, either by Act of Parliament or by any charter from the Crown, it was enacted that all such undertakings should be illegal and void, and should be put down as "common and public nuisances."

We have another illustration of the same policy in 1750. The British Linen Company had then begun to act as bankers, and to guard against a repetition of this, the Royal Charter granted to a society for the encouragement of British fisheries provided that "for "preventing the society from interfering with the business of the "Bank of England, the Bank of Scotland, or the Royal Bank of "Scotland, the society shall not deal in bills of exchange, or inland "bills or notes, shall not receive monies or keep the accounts or cash "of any person other than their own, shall not anyways use the "banking business, shall not issue any bills or notes payable on "demand for the loan of money with or without interest, and shall "not lend money at interest on any pretext whatever."

While this was the policy of the legislature, there was nothing as I have said, to prevent any number of individuals forming a co-partnership, and many private banking companies existed for a long period in Scotland nearly all of them exercising the right of issue. They were popularly known by a descriptive name, such as the Dundee Bank, but

they contracted under a social firm, such as George Dempster and Co., by which they could sue and be sued. The distinguishing characteristics of these private companies, in contrast with the older Corporations, were that the partners incurred personal and unlimited liability *singuli in solidum* for all the obligations of the Company, and were at perfect liberty to define, and to alter at their pleasure, the limits of the business in which they engaged, and their rights and liabilities as among themselves.

The Bubble Act was a measure of too great stringency to be practically enforceable, and it fell into desuetude. Ignoring it, joint stock companies, formed with a view to perpetual endurance, with transferable shares and with only a descriptive name, were from time to time established. The Commercial Bank of Scotland, formed in 1810, was the first company of this character established in Scotland, and the National Bank of Scotland followed in 1825. In that year we trace the first symptom of a change of policy on the part of the legislature. The disastrous failures among the provincial bankers of England caused a doubt whether joint stock companies were really the evil thing so strongly condemned a century before, and the Government of the day resolved to encourage their formation, and even to grant charters of incorporation, but only on the footing of the members continuing liable as in partnership. A difficulty here arose. The Crown lawyers advised that while it was the undoubted prerogative of the Crown to create a Corporation, the essential and inevitable incident of its creation was to free the members from the ordinary liability of the partnership relation, and that the Crown had no power to alter this incidence of incorporation without the authority of Parliament. Accordingly, an Act, known as the first of the Letters Patent Acts (6th George IV., cap. 91), was passed, repealing the Bubble Act, and authorising the Crown, in future Royal Charters, to impose liability on the members of corporations in their persons or property for the debts of the Corporation, to such extent as might be thought right. It was under this Act that the two banks I have just named obtained in 1831 Charters of Incorporation, with unlimited liability. But before they obtained their Charters the legislature, first in 1825, and by a more matured Act in 1826, recognised the existence of banking companies in Scotland, with numerous partners and transferable shares, of which many had transacted business for a number of years to the great advantage of the country, and it was enacted that from the passing of the Act of 1825 they should "be held to be legal," and might sue and be sued in name of their principal officer.

In 1844, the principle of incorporation at will, by registration, was introduced in England, but banking companies were excepted. The Joint Stock Companies' Act of 1856,—the first of the limited liability Acts which applied to Scotland,—left all joint stock companies, *except banks*, free to register with either limited or

unlimited liability. In 1857 banking companies were permitted to register, but not as limited companies. This prohibition was repealed in 1858, and the law was consolidated by the Companies' Act of 1862, under which all the joint stock banking companies of Scotland not previously incorporated were registered as unlimited companies. The crisis of 1878 caused another marked change in policy, and the Act of 1879 was passed, intended to encourage the adoption of limited liability except as to notes. The principle of reserve liability was then introduced. It was completely at variance with the past traditions of the Treasury and with the practice of Parliament, of which there were two notable examples. In 1829 the Royal Bank asked authority to increase its capital from one-and-a-half to two millions, and in the charter then granted the power was made conditional on the new capital being fully paid up within five years. This condition was thus explained by the Treasury. "It seems objectionable," my lords said, "that any chartered bank "should have a large nominal capital unpaid up, which is calculated "to deceive the public, and not to afford those advantages to the "Company in times of difficulty which a large extent of available "capital is calculated to supply." The same view prevailed in Parliament so recently as 1873, when the Bank of Scotland asked power to create additional capital. The power was granted, but subject to the condition that any new capital created should be placed on the same footing as the previously existing capital, by calling up two-thirds of the amount.

Time alone can shew whether the last change in policy will prove beneficial. In my humble opinion it will. Every banking catastrophe has disclosed this fact, that for a long time the struggling bank had been existing on improvident and vicious financing in London, effected mainly on the credit created by the unlimited liability of a numerous proprietary. I think it cannot be doubted that the flagrant mismanagement which led to recent failures in both countries, must have been checked years before if the companies had been dependent solely on their character and defined resources, and the legitimate credit thence arising.

Besides the three old corporations, there are now existing in Scotland seven joint stock banking companies, all incorporated by registration under the Act of 1862, and all re-registered under the Act of 1879 as limited companies, each partner being liable for four times the amount at present paid upon his shares.

Having thus endeavoured to explain the Scottish theory of what banking business comprehends, and the factors in that business, we have now to look at the system in practical operation, and, perhaps, this can best be done by adhering to the three divisions of Issue—Deposit, and Loan and discount. Preliminarily, I may say, that the ten banks have 887 branches in Scotland, and that at present their gross resources amount to 105½ millions, whereof upwards of

14½ millions consist of paid-up capital and reserve funds belonging to the proprietors, the remaining 91 millions constituting their liabilities to the public.

FIRST : ISSUE.—We have no trace of any paper currency before the establishment of the Bank of Scotland in 1695. From its commencement that Bank issued notes of the larger denominations, and in 1704 it began to issue £1 notes. The total amount was very limited in the early part of the 18th century. In 1704 it stood at £50,000, and it appears from a balance sheet at 27th March, 1728, that the notes in the hands of the public then amounted to £71,000. During the interval between 1704 and 1728, the circulation had doubtless been considerably higher, for in the end of 1727 the Royal Bank had become a competitor. We might, I think, state the total circulation in 1728 at about £150,000. For a century afterwards we have no statistics. I find that the Royal Bank's circulation stood in 1740 at £88,000; in 1750 at £134,000; and in 1760 at £237,000. The private banking companies began to be formed about this time, and the circulation must have increased rapidly during the second half of the last century. In the early part of this century we have some guesses as to its amount. Mr. Gilchrist, then Manager of the British Linen Company, was examined before Parliamentary Committees in 1810 and 1819. At both dates there were, besides the three chartered banks, from twenty to twenty-five private Companies issuing notes, and he estimated the circulation in 1810 at from two to two-and-a-half millions, and in 1819 at from two-and-a-half to three millions, of which, he was of opinion, that more than a-half was provided by the chartered banks. In 1826 Mr. Blair, of the Bank of Scotland, estimated the circulation at three-and-a-half millions, fully a-half being £1 notes; and this estimate was confirmed by a return of notes stamped. From 1833 downwards we have complete returns. Before 1841 these exhibit the average per calendar month; from that date the average is taken for periods of four weeks, always ending at the close of business on Saturday. From 1845 we have in addition returns of the gold and silver coin held by the Banks.

I have appended a diagram, (No. 1,) which will show at a glance the fluctuations in the paper currency of Scotland since 1833. I invite your attention to that diagram, for it suggests some considerations bearing upon private issues, in all parts of the Kingdom. One noticeable feature is the half-yearly reduction to the minimum about March and September, and the increase to the maximum at the two terms of Whitsunday (15th May) and Martinmas (11th November). These fluctuations take place with absolute regularity. The variations in the coin follow precisely the same rule, the increase representing the half-yearly drafts from the Bank of England, and the decrease the return of coin to that establishment. The stock of coin, otherwise, at all times, even in periods of disturbance like 1847, 1857, and 1878, lies dead from year's end to year's end.

The circulation is an accurate barometer as to the state of trade and the prosperity of the country. From the diagram it will be seen that the amount was low from 1833 to 1843, ranging from two-and-a-half to three-and-a-half millions. Then came the railway mania, with its lavish expenditure and consequent increase in wages and values, and the circulation gradually rose till it reached four millions in 1846. The crisis of 1847 at once sent it down, and for the succeeding five years it never reached three-and-a-half millions. Active trade was again experienced towards the end of 1852, and we see a maximum reached of four-and-a-half millions in 1856. The crisis of 1857 did not affect the circulation to the extent that might have been anticipated, for in some branches the trade of the country continued fairly active, and the range remained pretty steady between the limits of three-and-a-half and four-and-a-half millions till 1864, when commenced a rise, gradual at first, but progressing rapidly from 1868, until in November, 1876, it reached upwards of seven millions, the highest maximum which the Scottish circulation has ever attained. The great agricultural interest then began to suffer; the crisis of 1878 followed, wages and prices rapidly fell, and the range of the circulation in the succeeding years was reduced to from five to six-and-a-quarter millions.

The unvarying regularity of the half-yearly fluctuations over a period of fifty years appears conclusively to show that the banks are absolutely powerless in regard to the circulation. The establishment of a network of branches, the system of exchange between the banks, the facilities for keeping bank accounts, and the growing system of paying by cheques instead of notes, have all tended to limit the circulation strictly to the public wants for active currency. We used to have an exchange of notes twice or thrice a week, but for the last eight years there has been a daily exchange at every place where more than one branch bank is established. It necessarily follows that if any bank is liberal in its loans, and thereby, for the moment, swells its issues, the excess beyond what the public requires for currency will be returned upon it, most likely the same day, and certainly on the following day. I believe, therefore, that the diagram truly marks the limits of a paper currency which the country's requirements, modified by many incentives to economy, absorb for daily use; and I do not hesitate to say that the aggregate is incapable of being either reduced or increased by any action on the part of the banks, short of their all ceasing to issue notes, and that the amount has no relation to the state of the international exchanges, except in so far as these affect our internal industries; that the circulation has no influence on prices; that it varies in amount precisely as a metallic currency would do were all notes abolished; and that its increase and decrease are entirely dependent on the activity and prosperity, or the inactivity and depression of the industries of the country.

This right of issue was the life's blood of Scottish banking in

its early days, and was by far the most important factor, next to the Union, in the material prosperity of the country. Our Jacobite proclivities for a time checked the impulse given by the Union, but after the outbreak of 1745, the progress in agriculture and in trade and commerce was rapid. Money, however, was wanting. It was not withheld from distrust; it did not exist. Economists may continue to discuss the abstract question—whether credit is capital, but unquestionably in Scotland the credit of the early banks, on which their notes obtained circulation, supplied the place of, and served in all respects as capital, and did so most effectively. The freedom of issue was for a time abused, but the blots of last century were wiped away by the Act of 1765, prohibiting notes not payable on demand, or for less than 20*s.*; and that the system operated on the whole beneficially for Scotland for a century and a half before 1844 every Scotsman will, I believe, maintain. The people of Scotland successfully resisted any interference with it when threatened in 1826, and it was with no inconsiderable alarm that the progress of Sir Robert Peel's measure of 1844 was watched alike by the community and by the banks.

The change effected by the Acts of 1844 & 1845, which is often erroneously represented as conferring privileges on the Scottish banks, while in reality it restricted their freedom, was not sought, indeed, it was opposed by them, even although it avowedly gave them a monopoly of issue. I have always understood that the underlying principle of the Act of 1844 was "to regulate the quantity "of the paper circulation, so as to keep its value identical with "what the value of a metallic currency would be." Looking back over more than a generation at the feverish speculation which has now and again prevailed, and at the host of financial companies which have been established, and might under the old system have been issuers of notes, the principle of *regulation* was not, in my opinion, put in force a day too soon. We often hear that this was an improper interference with freedom. But as the great apostle of free trade, said, in advocating the restriction of the Scottish currency to notes of £5 and upwards, "those exertions of the natural liberty of a few individuals which "might endanger the security of the whole society are, and "ought to be restrained by the laws of all governments, of the most "free as of the most despotical. The obligation of building party "walls in order to prevent the communication of fire is a violation "of natural liberty, exactly of the same kind with the regulations of "the banking trade which are here proposed." (*Wealth of Nations*, Book II., cap. 2.)

With regard to the results of the legislation of 1844-45, the heads of the banks in Scotland were in 1875 agreed to this extent that "after thirty years' experience of the working of these Acts in "Scotland, the result, both as regards the public and the banks has

"been on the whole satisfactory." Probably very few will maintain that the Acts have wrought all the advantages anticipated by their promoters. They certainly have not prevented, nor have they modified the intensity of crises.

In 1865 Mr. Gladstone, describing the objects of the Act of 1844 (Hansard, vol. 178, p. 1247), made the very important statement that two of its leading principles were (1) "that the paper money of the country should proceed from one single source," and (2) "that the issue of that paper money is the prerogative of the Crown." For the second of these propositions, thus broadly stated, I have not been able to discover any sanction in the speeches of Sir Robert Peel in 1844 and 1845. He said, "Some have contended, and I am not prepared to "deny, that *if we had a new state of Society to deal with*, the wisest "plan would be to *claim* for the State the exclusive privilege of the "issue of promissory notes, as we have claimed for it the exclusive "privilege of coinage;" but the conclusion that he arrived at was "that the true policy in this country is to work so far as it is possible "with the instruments you have ready to your hand."

Whether Sir Robert Peel did or did not hold the principle of prerogative, it is certain that since 1844 statesmen of the first rank have expressly repudiated the idea of a State issue. In December 1847 Lord John Russell said (Hansard, vol. 95, p. 634): "It has long been the decision "of Parliament that we should not embark in the dangerous sea of a "State currency." Ten years later (on 11th December, 1857,) Sir George Cornewall Lewis, then Chancellor of the Exchequer, is reported thus (Hansard, vol. 148, p. 591): "I doubt whether any economy "to the public or any security to the holders of notes would arise from "the entire subversion of the existing system,—from a prohibition of "the issue of notes by the Bank of England, by private banks in "England, by the Banks in Ireland and Scotland, and from the "assumption of an exclusive right of issue on the part of the "Government." He proceeded to combat the argument based on *regalia coronæ*, pointing out that the Crown is merely a manufacturer of gold coin, stamping it as of a certain weight and quality, and he goes on to say: "Those who imagine that the country would receive "great advantages from a Government bank for the issue of paper, "because the exclusive right of making coin is vested in the State, "will find, when the case comes to be examined, that their idea is "altogether fallacious." And this was his conclusion: "I am not "prepared either to submit a measure for the development of the Act "of 1844 in the manner which I have described, or to assent to the "alteration if it were proposed by others."*

The theory that the issue of paper money is a prerogative of the

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* See also two interesting papers on the subject, by Mr. Arbuthnot and Lord Monteagle, in the appendix to the report of the Select Committee on the Bank Acts of 1858, pp. 414 and 492.

Crown, has grown in favour since it was first enunciated in 1865, especially with Chancellors of the Exchequer; for, as Mr. Gladstone then said, the doctrine "involves this consequence—that the profit "attached to issue should form a legitimate portion of the public "revenue." (In passing I may remark, and I do not hazard much by the prediction, that a State issue for Scotland would be barren of results to the public revenue.) Mr. Lowe, in 1872, while admitting that "*formerly* the issue of promissory notes payable on demand was "regarded as *part of the business of a banker*," thus states the modern theory, "*now*, it is I think generally recognised that the "issue of such notes is the creation of money, and that the creation "of money is the business of the State, not of any trading Asso-"ciation." Sir Stafford Northcote was very much at one with Mr. Gladstone on the subject in 1875 and 1879, and in 1881 the Treasury suggested that the Scottish Banks "should join the "Government in considering the terms upon which a state issue "of notes, having the quality of legal tender elsewhere than at the "place and Office of Issue in Scotland, might be substituted for the "present Issues."

This overture was not accepted, and there the question at present rests. Whether Scotland is to be made the *corpus vile* of a currency experiment remains to be seen. The Banks of Scotland will no doubt resist such a proposal, but the solution of the question will be affected by their action, only to the extent to which they are truly representative of the public interests and wishes. Statesmen are wedded to the new theory, and all they require is the mandate of the people of Scotland. But that has not yet been given. Mr. Gladstone most truly said in 1864, speaking on the subject of Currency (Hansard, vol. 176, p. 118), that the Scotch members, backed by the opinion of Scotland, were perfectly well able to take care of themselves; and I venture with some degree of confidence to adopt his language, when on the same occasion he said, that "looking to the state of affairs in Ireland and Scotland with regard "to the currency, the realisation of any scheme for a uniformity of "currency is altogether impracticable, or at any rate remote."

Be that as it may, however, it is expedient to inquire what change is possible, and what that change would involve. Now, I at once put aside the idea of any reversal of the policy of 1844 which would restore freedom of issue. No doubt we have had in Scotland many consistent advocates of that course, but they are now, I think, pretty well satisfied that a return to the old system is utterly hopeless. In truth, it might as well be proposed to re-enfranchise Old Sarum. The other, and the only other possible solution of the question, if we are to have change at all, is the substitution for the present system of issue, of legal tender notes. In such a change, I am satisfied that the public and not the banks have the greatly preponderating interest.

For what would such a change involve? On that question much ignorance prevails. We find it not only among the general public, but also in Government departments, among members of the legislature, and notably in the press. The really important question, said the *Economist*, only the other day, is "would it "(*i.e.*, a State Issue) be in any way injurious to the public?" I quite agree, that *is* the question; but when the writer goes on to say that the answer "must be distinctly in the negative," I join issue with him, and say as distinctly that the answer must be in the affirmative. In the next sentence he says, "It would "be different if there were any reason to fear that a change would "endanger the £1 notes." I say deliberately that it would not be different in the very slightest degree. It is quite true that as a mere matter of convenience Scotsmen prefer a note to a sovereign, and were a State issue introduced it would be very unwise not to continue the small notes. But it is a pure delusion not only of writers, but also of the Treasury, that in Scotland we attach a superstitious importance to £1 notes, *merely as such*. It was not because the people of Scotland had a strong objection to sovereigns that Sir Walter Scott took up the cudgels in 1826 on behalf of our paper currency. He did not pretend to be a financier, but he very clearly saw and said that to prohibit the issue by the banks of £1 notes meant not merely the substitution of a gold for a paper currency, but involved the abstraction from the resources of the banks of an amount exactly equivalent to the gold currency so to be substituted. In other words, the sovereign put in circulation would cost 20*s*., whereas the £1 note served precisely the same purpose at the cost of paper and engraving, and the resources of the banks remained intact, and available for lending purposes.

This is precisely the state of the question to-day, modified to a small extent by the legislation of 1845, requiring a certain proportion of specie to be held in Scotland. In discussing the consequences of a change to legal tender issue, writers only see from the returns that the circulation is so many millions, and that so much coin is held against it, and they conclude that all that has to be done is to withdraw the present bank-notes, put into circulation legal tender to an equivalent amount, and set the gold free. They cannot imagine why the public should not be as well pleased, or better pleased, to have notes bearing the security of the State rather than notes bearing the security of the banks. No more can I, if—but the "if" is all important—the public could only have them at the same cost. The *Economist* naïvely asks, "What is there in the withdrawal from "the existing Scotch banks of their exclusive privilege of issue that "the public need fear?" Let us see.

Our average circulation in the hands of the public for the four weeks ending 16th December last was very nearly $6\frac{1}{2}$ millions. The wants of the banks for till money, that is the money with which during each day the business is carried on, will vary, according to the

number of branches of each bank, but judging from my own experience, a sum equal to one-and-a-half times the circulation is every day in the year held, and used to a greater or less extent at the various bank offices. That makes nearly 10 millions required for till money, which added to the circulation, gives a total of above 16 millions. We hold fully 4½ millions of coin, of which, if the circulation were withdrawn, perhaps 3 millions would be liberated, and therefore falls to be deducted from this total,—the balance being upwards of 13 millions. Allowance should further be made for the economy which would arise from legal tender notes being at once re-issuable, and deducting 2 millions on this score, you still have 11 millions to be abstracted from the resources of the banks, at present available for lending to their customers, in order to supply the tools with which our business is now conducted, and efficiently conducted, at no expense, except the cost of notes. It would be wasting time to point out to a body of bankers what an abstraction of more than a tenth part of the whole available resources means as regards our borrowing customers. I am very far from saying that it would be an unmitigated evil to the banks, for contracted lending power means higher rates and less competition in lending; but I do say it would involve serious consequences to a large class of industrious borrowers, who hitherto have been dealt with on equal terms with their richer neighbours. The money market of London is always open to wealthy merchants having paper of the first class to discount; but, I fear, that the trader with nothing but his local bills, good enough in themselves to those who know the people, would be looked at askance in the city.

But beyond this abstraction of resources for till money, many branches, opened solely because of the facility which the right of issue gives, would of necessity be closed. And it is difficult to estimate the extent to which this would curtail the resources of the banks. Some one in the Committee of 1875 reproached us with sweeping the country of its floating money. Probably no greater compliment could have been paid to the efficiency of Scottish banking. A bank office is to be found in the remotest districts both of the country and of the large towns, and a very numerous class of small traders, having individually balances of small amount, but in the aggregate making a large sum, have been induced to open bank accounts, solely because a bank office is at their door. This not unimportant part of the resources of the banks no doubt must, to a considerable extent, disappear with the withdrawal of such branches.

I could scarcely avoid discussing this question of issue when it came in the way. For my own part I look on the future with perfect equanimity as regards the interest of the banks. If the public desire a legal tender issue, of which as yet I have seen no evidence, and if they are willing to pay the price, good and well—they will probably sooner or later get it, but if they think the price too high, it will not be wise to bury their heads in the sand, and ignore the course of events.

SECOND: DEPOSIT.—Passing now to our function as banks of deposit, we are again without any statistical information for a very long period. At the commencement the banks were issuing establishments, and little else. We have already seen that in 1704 and 1728 the notes of the Bank of Scotland constituted its only liability to the public, and during the first half of last century the deposits must have been of very limited amount. I find that the total liabilities of the Royal Bank to the public, including notes, amounted in 1730, two years after commencing business, to £124,000, in 1750 to £226,000, and in 1760 to £308,000. It was about this time that the practice of receiving money at interest was introduced, and many of the private banking companies were established, and the deposits must, during the remainder of the last century, have increased rapidly. In the beginning of this century the total amount was probably 6 or 7 millions. In 1826 it was estimated at 20 to 21 millions, and we know that in 1845 the amount had risen to 33 millions. From 1865 we have complete statistics. In that year the deposits stood at 56 millions, and now they are 80 millions.

The deposits comprise balances on current accounts and sums lodged on interest receipts, which are regarded as of a more permanent character. The receipts carry interest, as a rule, at 1 per cent. below the Bank of England minimum. On all current accounts, whatever may be the balance, interest is also allowed, but at lower rates—the customer electing whether it is to be calculated on the daily balance or on the minimum monthly balance. In practice the former is preferred. I find that over the 10 years, 1872-81, while the average Bank of England minimum was 3·38 per cent., the banks allowed on deposit receipts 2·57, on the daily balance 1·04, and on the minimum monthly balance 1·62. All deposits are held at call, and commission on current accounts is entirely unknown.

Interesting information was laid before the Parliamentary Committee of 1875 by the Scottish banks and by the National Provincial Bank of England in regard to the deposit branch of their business. The returns disclosed a close, almost an absolute similarity in their experience, for which most bankers were unprepared, for it was the impression that the English joint stock banks had scarcely reached that class of the community which we, by the spread of branches, had long ago induced to open bank accounts. It turned out, in fact, that the resources of the largest of the London Provincial banks were drawn from precisely the same classes as with us, and I think we may take credit for having set the example which has been followed with so much success by our powerful neighbour.

These statistics were so striking that I felt anxious to see whether the experience of subsequent years would confirm them, and since 1875 I have at each annual balance had the deposits of the Royal Bank analysed, and I give you the results. In the table appended (No. II.) you will find classified, according to amount, the percentages of the

number of depositors and of the amount of the deposits: (1) of the National Provincial Bank in 1874; (2) of the banks in Scotland as a whole in 1874; and (3) of the Royal Bank on the average of nine years from 1874 to 1882, both inclusive, with the maximum and minimum during those years. Considering that the returns of 1875 dealt with upwards of 540,000 persons, the almost complete uniformity of results, confirmed, as I think you will hold them to be, by the additional information now given, is not a little remarkable.

I have submitted these figures in the hope that if they are regarded as interesting, the great London banks, and especially those of them with numerous branches in the provinces, may be induced to take the very small trouble which a similar contribution on their part to valuable statistical information would entail. I need not point out that it in no way reveals secrets.

Fully two-thirds in amount of the deposits with the Scottish banks are on receipts, and rather less than a third are balances on current accounts.

THIRD: DISCOUNT AND LOAN.—We have now to consider how the banks in Scotland use their resources, and before dealing with ordinary banking advances, by way of discount or loan, it is proper to advert to the subject of reserves. As all our liabilities with the exception of the item of acceptances are payable on demand, this subject is of prime importance. Obviously no fixed rule can be laid down, for each banker must be guided by the nature of his own business, and by his past experience; but in a system so "self contained" as that of Scotland, there ought perhaps to be less of diversity than elsewhere. Temperament enters naturally into the question, and the man who is neither over-sanguine nor unduly timid, is of course the model banker, but he is rare.

We get a good deal of advice from the south, and we often hear that it is our duty to keep our own reserves, and not be obliged to draw on the reserve of the Bank of England, when it is sufficiently attenuated by the requirements of the city. Rather inconsistently with this advice, another monitor will tell us that the only true reserve is our balance with the Bank of England. Presumably this balance is kept for use, and how it is to be used without doing the very thing of which our first guide complains, I don't know. We try, however, to profit by all well meant advice. But on this subject of reserves we find by experience that we are enveloped in paradox. *First:* Everybody agrees that legal tender is the best reserve,—gold is the only legal tender in Scotland,—we have four or five millions of it in our vaults,—and yet, strange to say, it is just the thing which, so far as the memory of man extends, has been practically useless as a reserve. I say practically, for of course a general break-down of credit is a *possible* thing, when nothing but gold would be accepted; but the very worst example of recklessness known in the history of banking, failed to bring about such a state of matters, and we can scarcely exceed our past iniquity. *Secondly,*

our liabilities are almost wholly payable in Scotland, but Scotland is just the place where our reserves are not to be found. They are here in the city of London, for here the settlement of all our obligations centres. *Thirdly*, and most singular of all, the instrument which throughout the history of banking in Scotland has been, in all times of difficulty and distrust, the most efficacious for the prevention of panic, has been our own notes. I do not mean that the notes of particular banks in good credit have served this purpose. I mean, literally, that a discredited bank has, when run upon for its deposits (and a run of any other kind has not been known), met the demand by handing over its own notes. You will not suspect me of suggesting that my countrymen are so wedded to bank notes, or so stupid as to accept the sign for the thing signified. The explanation of what appears so contrary to reasonable expectation is sufficiently simple. Gold is not wanted, if anything can be offered which will suffice to transfer the indebtedness from the discredited to a trusted bank. Notes effect this so long, but of course, only so long as other bankers continue to accept the notes of a distrusted bank, and to substitute their good credit for that in which faith has been lost. No graver error was ever committed than the resolution adopted by the Scottish Banks in 1857 on the failure of the Western Bank of Scotland, to reject the notes of that bank. It was repented after a single day's experience, but that day was a perilous one, and had the resolution been adhered to, it is not pleasant to conjecture what might have been the result. The Western Bank had for several weeks before its failure been subjected to a serious run by its depositors, but they in a quiet orderly way presented their cheques, got payment in the bank's own notes, and immediately handed them over to some other bank in which they had greater faith. Of panic there was none till after its doors were closed, and there would have been none, even then, but for the resolution to which I have referred, just as there was no panic at the failure of the City of Glasgow Bank. The suddenness and magnitude of that failure were calculated, if ever any failure was, to create a great panic, but the other banks wisely resolved to accept its notes. There was a slight shuffling about of deposits for a time, but gold was never wanted.

I have referred to this phase of practical banking in Scotland, because it illustrates forcibly not the least important function of our system of issue. In the two cases referred to, but for the part which issue played, it is difficult to see how great disturbance could have been averted. If a legal tender issue had existed, the process of hoarding would most likely have set in, with an indiscriminate rush for deposits, and the supply of notes would very speedily have been exhausted. The safety of the existing system has always been that a bank distrusted could meet demands in a form which retained its power of transferring indebtedness, and that the creditor was *compelled* to discriminate between bankers, and to trust some one. Hoarding has been completely unknown.

This digression has led me away from the form of our reserves. I would say briefly that a bank in Scotland maintains several lines of reserve: (1.) It has at home its coin, the utility of which is *practically* as I have explained not of first importance. (2.) Next, and of most importance for the ordinary requirements of business, that is for *probable* demands, there is the cash balance with the Bank of England or other London banker. (3.) Then comes money placed at call or short notice in London. If all these should be exhausted recourse would be had to (4.) Government securities, and should a persistent demand still continue, we would no doubt be obliged ultimately to resort to (5.) the Bill case. The traditions of Scottish banking are, however, all opposed to re-discounting, and nothing but great pressure would be held to justify it.

Ordinary banking advances are made in Scotland in the two forms universal in banking—of discount of bills and advances on current accounts, and in the third form, peculiar, I think, to Scotland, of cash credits. The nature of these credits, their importance to the country in the early days of banking, their value to customers still, have been so often described, that I need not dwell on them. My only remark is, that their chief value to the banker in early days lay in their being the vehicle for promoting the circulation of his notes, but this advantage ceased on the passing of the Act of 1844 and probably long before. Unless granted wlth extreme caution, not merely as regards security, but also with reference to aggregate amount, cash credits, are an insidious form of banking. All ordinary advances may occasionally be attended with loss, but nothing worse can happen. A rash banker is tempted to grant cash credits in times of ease, because he could then lend the money with comfort, but the essence of the arrangement is, that so long as it subsists, the relations of the banker and the customer are reversed, and for whatever part of the credit may from time to time be unused, the customer is in a very real sense the creditor of the banker, who is bound to honour drafts up to the prescribed limit, just as much as if the customer had that amount at the credit of his account. And such drafts are most likely to make their appearance at the time when the banker least desires them. The system has always worked well in practice however, it has rarely been attended with loss, and in so far as the money is actually advanced, it is as judicious a mode of lending as any other, where the banker looks to ultimate safety, and not to repayment at a definite date. The danger lurks in the aggregate of the margins between the actual amounts drawn, and the defined amounts of the credits granted.

As to the two common forms of advance by way of discount and loan, there is nothing in our practice distinguishing it from that of bankers elsewhere. We make special loans for definite periods on security as you do. We cannot avoid overdrafts altogether, but we discourage them. We find, as I daresay English bankers, with a

number of branches do, that their representatives at the branches exhibit a leaning to the customer rather than to the bank—a feeling which, within proper bounds, is to be respected—that popular or liberal banking at a branch too often means loss, and that the bit has occasionally to be applied from headquarters. All the same, so far as my experience goes, the gentlemen carrying on the business at the branch banks in Scotland are distinguished by thorough integrity and great prudence, by anxiety to promote the interests of the establishments with which they are connected, and, looking to the very active competition which exists, they manage to steer singularly clear of losses.

The supervision of a great number of branches is necessarily continuous, strict, and anxious. Every branch is inspected once a year, the more important twice, and some even more frequently, at irregular intervals, and without notice. All their transactions are reported to headquarters, where a large staff is engaged in scrutinizing and criticising them, in requiring explanations, and in calling attention to any departure from rule or what seems prudent.

With regard to the rates of discount and interest, these are uniform all over Scotland, and are changed with reference to every variation in the minimum rate of the Bank of England. The only exception made is with reference to remitted bankers' bills, which are discounted at the market rate of the day in London. I give in the Appendix (No. III.) a table of the average rates allowed on deposits, and charged on bills and loans in each of the years 1872 to 1881 inclusive, and I would ask your attention to that table, for I doubt if in any country in the world, banking accommodation is afforded on equally favourable terms to the customer, whether he be a millionaire or a small trader. It appears that on the average of these ten years, our rate for three months London bills has been 3·63 per cent., and never exceeded 4 per cent. except in the years 1872 and 1873—for local bills, that is, bills payable in Scotland, it has been 4·11 per cent., while on the balance due on cash credits, with all the facilities which they afford it has been 5·01 per cent.*

* We have of late heard some dissatisfaction expressed with regard to discount rates. There is no doubt that the Scottish banks, ever since they were established in London, profess to conduct, and, so far as I have knowledge, do conduct their business there exactly on the same footing as other bankers in London. I have no reason, therefore, to doubt that Bills have been discounted in London at the rate of the day, which might be under the rate for the time in Scotland especially if a high Bank of England rate ruled. But on the other hand, I can say that I have frequently known the rates in London to exceed the rates charged in Scotland. Moreover, every person in good credit may, if he so choose, have a London account, and send his bills there for discount, but with any advantages thence arising he must submit to the disadvantages, one of which is, that he must keep a balance on his current account without interest; and probably at the end of the year, and most certainly, I should say, on the

Such being the system of banking in Scotland, it will naturally enough be asked, What are its results? Morally, I think, we have been valuable educators of the people in habits of frugality. We have also tried to do our part faithfully in encouraging honest industry and prudent enterprise. Lord Overstone, on one occasion, surprised a Parliamentary Committee by the statement that throughout his long banking career he had very often advanced money "to "persons of character who in some cases have no security to give, "but who in all cases have no security to give equal to the amount "advanced to them, except that best form of security—their "character, their energy, and their prudence." Banking in Scotland has, I think I may say, been conducted in that spirit, although it not unfrequently happens that a borrower and his banker may not be entirely at one as to the possession by the former of these important qualities.

As to pecuniary results we do not contrast very favourably with English banks, and as I am sure we do not make more losses than they do, it would seem to follow that they are able to dispense their resources on better terms than we are. I give you in the Appendix (No. IV.) a table for the year 1882 shewing the total resources of the banks in Scotland, their paid-up capital, their rest or undivided profits, the dividends paid, and the amount of profit carried to rest or forward to next account. Any calculation of results in individual cases is necessarily fallacious, for no two banks are alike in all the elements of capital, resources, character of business, &c., which should enter into it, but taken overhead it appears that the dividends amounting to £1,114,500 are equal to 12·31 per cent. on the paid-up capital of £9,052,000, and to 7·61 per cent. on proprietors' funds, including both capital and rest, amounting to £14,640,905. Combining the sum paid as dividend, and the sum reserved at rest, &c., amounting together to £1,205,495, which may be taken as the net profit, it shews 1·14 per cent. on the total resources of the banks amounting to £105,479,775.

I may, on this subject, without disclosing any secrets, go a little behind published balance sheets. Dealing with a period of ten years from 1872 to 1881, I find that the deposits of the Royal Bank stood to its total resources in the ratio of five to seven as nearly as may be. The gross earnings of the Bank in the shape of interest, discount, returns from investments, &c., arising from the employment of its resources, after deducting expenses, may be called x and $\frac{5}{7}$*ths*

average of a few years, he will find that he would have been as well to have stayed at home. The banks of Scotland, whether at home or in London, do not pretend to compete with what is known as the street rate of the City. It must always be optional to our customers in high credit to resort to the bill brokers when they find it suits them, bearing in mind, however, that on occasion customers have been known to be turned back on their banker with the answer "not convenient."

of x will represent the proportion of the earnings attributable to the deposits. This proportion being stated as 100, I find that over the ten years the amount paid as interest to depositors was 79·6 parts; in other words the bank at its own risk lent out continuously for ten years, 11 millions (as the mean) belonging to the public, and handed over to the public as interest $\frac{4}{5}$*ths* of the product. I believe you will agree with me that our depositors at least have no ground of complaint.

I may also give you the result of another calculation applicable to the same period, intended to test the productive value of the resources of a bank in Scotland. Taking the mean of the total resources of the Royal Bank for these ten years and deducting the items of coin, Bank of England balances, and cheques, &c., *in transitu*, which produce no return, the balance being in use all the year round for banking purposes and investment, I find that the gross earnings, *making no deduction for expenses or losses*, yielded overhead 3·83 per cent. Of course the return has been low for four or five years, but it was high during the early years of the period.

If the test of profit be applied to the so-called monopoly of the Scottish banks, it would not, judging from the results I have put before you, appear to be a very oppressive one. I wish, however, before closing, to notice this subject of monoply, for there has been a good deal of discussion regarding it, both in and out of Parliament. There is no doubt that we have a monopoly of Issue; that was one of the avowed objects of the Act of 1844. But it is said this has resulted in a monopoly of banking, as proved by the two facts, that the banks, nineteen in number, at the passing of the Act of 1845, have now been reduced to ten, and that no new bank has been established since 1845. I need scarcely point out that this is the old *non sequitur* of Tenterden Steeple and the Goodwin Sands. The charge of monopoly has been so persistently dinned into our ears without meeting contradiction, that it has almost come to be accepted as true. I venture to meet it with an absolute negative. If it be the fact, as I assert (1) that the same causes which have led to the diminution in the number of banks since 1844, were in operation with a like result for a long period before 1844 under a system of free issue, and (2) that under a precisely similar state of the law, banks having no rights of issue have been established and carried on successfully in another country, then it is manifest that the Act of 1844 cannot be the author of influences which operated before it passed, and cannot be the cause of that in Scotland, which it has not occasioned elsewhere. If before the so-called monopoly began, banks were being rapidly absorbed in Scotland, and if since 1844 new banks have been successfully carried on and established, despite of that monopoly, in Ireland, some other explanation must be found of the admitted fact that no new bank has entered the field in Scotland.

Now, you will find from a parliamentary return (No. 250, Session

1864) that at 1st January, 1819, there were thirty banks in Scotland, and on 1st January, 1845, there were only twenty. This, however, by no means measures the discontinuance of banks during the interval, for of the thirty existing in 1819, no fewer than twenty-two had ceased to exist before 1845, and of the fifteen new banks established between those years, three were discontinued before the passing of the Act of 1845, and two more before it came into operation, so that at 3rd January, 1846, when the first return of the circulation was made, there were only eighteen banks. The outstanding fact, therefore, to which I invite attention is, that during a period of twenty-five years when absolute freedom of issue prevailed, the attractive power of the larger institutions was so strong that they absorbed no fewer than twenty-seven of their smaller neighbours. Under the new system precisely the same economic forces which were in play under the old system have continued to operate, and precisely the same results have followed.

Then, as to the establishment of new banks, to say nothing of the numerous branches or agencies of Indian and Colonial banks established in Scotland, I ask you to look at the position of matters in Ireland, where the law is identical with that of Scotland. Ireland, under the Act of 1845, had and still has an authorised circulation of £6,354,494, divided amongst six banks. Scotland had, under the Act of 1845, an authorised circulation of less than one-half, or £3,087,209, divided among 19 Banks, but now reduced to £2,676,350 divided among ten banks. *Primâ facie*, if the Act gives a monopoly in Scotland, it must operate in the same direction in Ireland, where the privileges of issue are very much greater and in fewer hands. But in Ireland there are three banks without any right of issue, two of them established before 1844, and one so recently as 1864. It is said that a new bank could not plant branches without the right of issue, but one of these Irish banks has forty-seven branches, a second five, and the one last formed has forty-six. Again it is said that a new bank could not be carried on with profit without this right, but the Hibernian Bank pays a dividend of 8 per cent. on a capital of £500,000; the Royal Bank of Ireland pays 14 per cent. on a capital of £300,000, and the Munster Bank pays 10 per cent. on a capital of £525,000. They have besides accumulated out of profits reserve funds amounting to £215,000, £200,000, and £275,000 respectively.

In the face of these indisputable facts it is vain to talk of the Scottish Banks having a monopoly. I am not disposed to admit that my countrymen have less energy than Irishmen, or a less keen eye for a profitable venture. The door is open for any number of new banks, native or foreign, and if they have not entered, it is for very different reasons from those generally assigned; the reasons, namely, that other fields promise more tempting results, and that the banking facilities already offered in Scotland are so ample and so cheap that there is no room for successful competition.

It is well worthy of public consideration, however, whether if this imaginary monopoly were to be got rid of, another of a very much more objectionable and dangerous kind may not be created, if as a condition of that riddance, the exclusive power of issuing legal tender paper currency, were vested in Governments, dependent on fluctuating public opinion, and subject to political influences.

I must apologise for the length to which these remarks have extended, and in bringing them to a close I would not like even to seem to avoid reference to the blots left on Scottish banking by the failures of 1857 and 1878. They teach many valuable lessons, but I cannot read them here or now. One, however, all of us may take to heart, and that is, that moral cowardice, want of courage to face a difficulty in its initial stage, is seen by invariable experience to be the first and the fatal step in the facile descent which ends in disaster. Scotland may, I think, take credit for this, that the stricken shareholders have done their duty well and nobly, and that the community exhibited, with a rare munificence, their sympathy with the sufferers. The banks also did their best to support and maintain public credit, not without success, and the painful business of liquidation has been speedily brought to a close.

I am not sanguine enough to suppose that I have succeeded in securing your assent to all I have said, for in some branches my subject bristles with points of controversy. I must ask you to take the views now presented as mine alone, for I have no mandate to speak for others. Such as they are I have expressed them quite frankly, I hope with moderation, and without undue partiality.

APPENDIX No. II.

Classified Tables of Number of Depositors and Amount of Deposits with (1) The National Provincial Bank of England in 1874; (2) All the Banks in Scotland in 1874; and (3) The Royal Bank of Scotland, on the Average of Nine Years 1874 to 1882 inclusive.

Table A.—Per-centage of Number of Depositors in each Class.

Column 1.	Column 2.	Column 3.	Royal Bank of Scotland.			
Classified Deposits not exceeding.	National Provincial Bank of England in 1874.	All the Banks in Scotland in 1874.	Column 4. Average of Nine Years 1874–82.	Column 5. Range. Highest.	Column 6. Range. Lowest.	Column 7. Extreme Range.
£ 100	68·24	69·65	66·13	67·47	64·63	2·84
500	25·37	24·19	26·72	27·57	26·34	1·23
1,000	4·02	3·73	4·16	4·65	3·89	·76
5,000	2·15	2·20	2·64	3·00	2·33	·67
10,000	·15	·16	·22	·25	·19	·06
20,000	·04	·05	·07	·09	·06	·03
Above 20,000	·03	·02	·06	·08	·04	·04

Table B.—Per-centage of Amount of Deposits in each Class.

100	15·68	15·44	11·19	12·18	10·43	1·75
500	31·24	31·55	27·74	28·68	26·73	1·95
1,000	15·45	15·87	13·64	15·04	12·93	2·11
5,000	21·98	23·35	23·82	25·73	22·38	3·35
10,000	5·66	6·14	6·87	8·19	5·53	2·66
20,000	2·85	3·29	4·86	7·48	4·11	3·37
Above 20,000	7·14	4·36	11·88	15·98	9·03	6·95

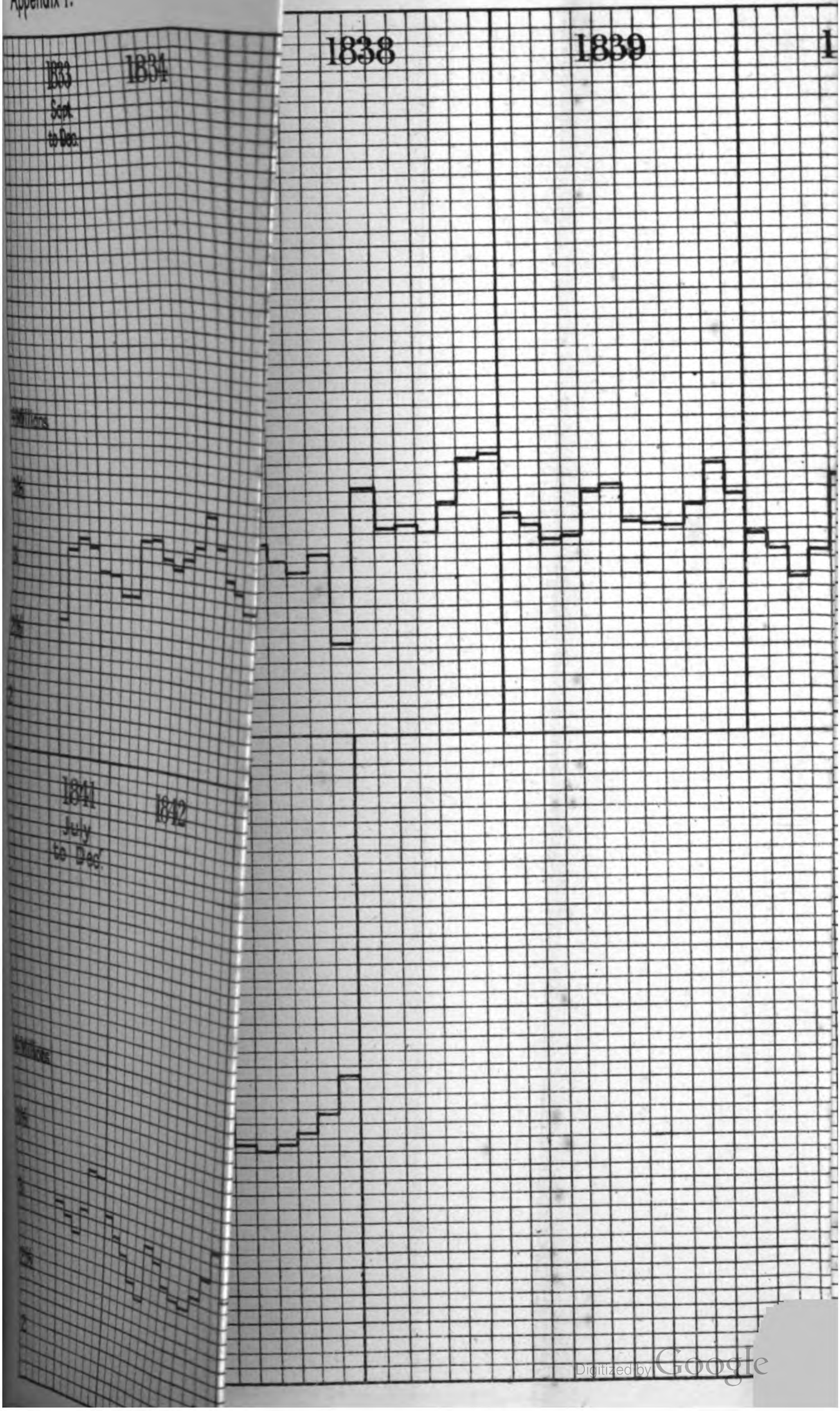
APPENDIX No. III.

Averages Rates of Interest and Discount in Scotland from 1872 to 1881 inclusive.

Year.	Bank of England Rate.	Interest on Deposits.			Discount Rates.						Interest on Loans.	
		Deposit Receipts.	Current Accounts.		London Bills.			Local Bills.			Cash Credits.	Over-Drafts.
			Min. Bal.	Daily Bal.	3 mths.	4 mths.	6 mths.	3 mths.	4 mths.	6 mths.		
1872...............	4·09	2·97	1·76	1·11	4·09	4·51	4·92	4·51	4·98	5·40	5·33	5·83
1873...............	4·77	3·50	1·92	1·24	4·76	5·13	5·49	5·13	5·51	5·93	5·73	6·25
1874...............	3·70	2·66	1·60	1·01	3·74	4·24	4·72	4·24	4·72	5·20	5.01	5·51
1875...............	3·23	2·40	1·51	1·01	3·41	3·90	4·40	3·90	4·40	4·90	4·83	5·33
1876...............	2·60	2·30	1·52	1·00	3·31	3 81	4·31	3·81	4·31	4·81	4·71	5·21
Average	3·68	2·77	1·66	1·07	3·86	4·32	4·77	4·32	4·78	5·25	5·12	5·63
1877...............	2·90	2·35	1·54	1·00	3·35	3·85	4·35	3·85	4·35	4·85	4·72	5·23
1878...............	3·78	2·87	1·74	1 05	3·96	4.42	4·82	4·42	4·92	5·32	5·20	5·70
1879...............	2·51	2·09	1·51	1·00	3·12	3·63	4·10	3·69	4·13	4·61	4·72	5·55
1880...............	2·76	2·00	1·50	1·00	3·00	3·50	4·00	3·50	4·00	4·50	4·75	5·50
1881...............	3·48	2·51	1·61	1·00	3·62	4·13	4·52	4·13	4·63	5·00	5·09	5·72
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4·41	4·85	4·90	5·54

Appendix I.

TION OF SCOTLAND.



APPENDIX No. IV.

TABLE SHEWING THE TOTAL RESOURCES, PROPRIETORS' FUNDS, DIVIDENDS, AND PROFITS RESERVED, OF THE BANKS IN SCOTLAND IN 1882.

	Date.	Total Resources.	Proprietors' Funds.		Dividends Paid.	Profits Reserved.
			Capital paid-up.	Rest, &c.		
Bank of Scotland ...	1882, February 28	17,266,858	1,250,000	872,373	162,500	10,001
Royal	„ October 14	16,402,858	2,000,000	848,210	190,000	18,258
British Linen Company	„ April 15	12,024,361	1,000,000	839,986	140,000	9,236
Commercial	„ October 31	12,088,179	1,000,000	621,337	140,000	5,472
National...	„ November 1	16,279,977	1,000,000	* 816,132	150,000	24,897
Union	„ April 1	13,246,556	1,000,000	* 495,549	120,000	11,415
Clydesdale	1881, December 30	10,464,020	1,000,000	* 646,691	120,000	8,934
Town and County ...	1882, January 31	2,545,263	252,000	145,471	31,500	68
North of Scotland ...	„ September 30	4,017,987	400,000	244,061	50,000	661
Caledonian	„ June 30	1,143,716	150,000	59,095	10,500	2,053
		105,479,775	9,052,000	5,588,905	1,114,500	90,995

* Includes a whole year's dividend in hand. In all the other cases only a half-year's dividend is included.

Discussion on Mr. Fleming's Paper.

Mr. Fowler: If I say anything I should like to ask a question. On page 12 at the bottom of the page Mr. Fleming says, "Our "average circulation in the hands of the public for the four weeks "ending December 16th last, was very nearly six and a half millions." That I presume is the notes issued by the banks themselves and held outside the banks. But that was on December 16th, 1882. Then I do not quite understand how much the total of the notes was at that moment by this table—I mean the absolute total of the notes because I think the usual amount of notes not covered by gold in Scotland was something over three millions. Therefore, there would be something over three millions more covered by gold. But Mr. Fleming seems to state that there are sixteen millions of notes, including those in the hands of the banks, and he argues that to have legal tender notes would diminish the power of the banks by at least eleven millions. Supposing his figures to be accurate, I certainly agree with him that that is a very strong argument indeed against the idea of a State issue because it is perfectly evident that a State issue could not as I understand it, do the work which is done by the notes of the banks except at a very heavy additional cost to the banks.—He has pointed out and I think very properly and with great justice that one great function of these notes, as it is of the notes of the country banks in England, is to act as a convenient reserve—that is to say, a bank by having its own notes in its till has a reserve at hand, which costs it nothing. I have no doubt also that the issue of Scotch notes, for the reason that Mr. Fleming has indicated, has been most useful by enabling the banks to foster the industries of the country. I can give you an illustration of that: A friend of mine was travelling in one of the northern counties of Scotland and there was pointed out to him a valley covered with beautiful farms. My friend was an Englishman, and his companion, who was a Scotchman, pointed down the valley and said "that is all been done by the banks," intimating his strong opinion that but for the banking system of Scotland the development of agriculture would be in its infancy compared to what it is now. We know the farmers of Scotland are very intelligent and very active, and I do not say they are unduly dependent upon the banks, but I agree that one great cause of the successful farming in Scotland has been the large assistance they have received from the banks. I am not prepared to enter upon the great controversial questions which arise on this paper to-night. I am aware there are some very nice questions in regard to the intrusion of Scotch banks into English territory, more especially to their appearing in the city of London when all the English banks who appear in the city of London have to give up their issue of notes. There is a very great question on that point which I have never seen

my way through. Why the National Provincial Bank of England should be compelled to abandon its country issue because it merely came to London, and why at the same time the Royal Bank of Scotland should be allowed to come to London and retain its issue, and even be allowed to issue notes in the north of England, is a thing which puzzles me very much. There may be some excellent reason for it, but as at present advised I do not see it. I have also felt great interest in the question of Scotch circulation on another point. On the last occasion when we met I read a paper in which I gave my views pretty well founded on the experience of Scotland and in regard to the small notes, and I do not think Mr. Fleming will be prepared to differ with me on that point. I think he will agree that the people of Scotland are very much attached to them, and that they would be very unwilling to substitute for £1 notes the sovereigns we are so fond of carrying about in England. I feel we have no jealousy of the Scotch banks, provided there is a fair field all round, but what I think the English banks have felt with some kind of reason is that the laws with regard to English banking and Scotch banking have some inequality if not injustice about them. We desire and shall rejoice in the prosperity of banks all over the kingdom. There is one other point to which I should like to refer.—We cannot fail almost to congratulate the Scotch bankers on the history of the panic which arose after the failure of the City of Glasgow Bank. The Scotch people have a great and peculiar power of failing in an extraordinary manner. The history even of the failure of the Western Bank of Scotland was nothing like as remarkable as the history of the failure of the City of Glasgow Bank. I think nothing can more strongly illustrate the peculiarity of Scotch banking than this fact—that other banks were willing to take the notes of the City of Glasgow Bank immediately after the failure, and although every conceivable iniquity had been carried on by the directors of that bank, yet the people so far from fancying everybody was tarred with the same brush, did really take the notes of the other bank without any difficulty, and there was really no hitch or trouble about it. I think any stronger testimony to the general good conduct of banking in Scotland could not be given. The people at large showed how strongly they felt and we may congratulate Mr. Fleming and his colleagues on the way in which they have conducted their business. Let us express a hope that out of this meeting some increase of good feeling may arise as between Scotch banks and English, between whom I think I may say, without any offence, that feelings have been sometimes a little strained of late.

Mr. Fleming, in reply, said: The point of most importance to which Mr. Fowler has adverted was that having reference to the statistics of the circulation. I am glad he has done so, because, from his remarks, I fear that the paragraph in my paper is not so clearly expressed as I had intended it to be. What I meant to say, if I have not said it, was that on the 16th of December, 1882, from

the returns published by the Government in the *Gazette* it appears that the circulation in the hands of the public amounted to 6½ millions. That was the circulation taken on the average of the four weeks immediately preceding the 16th December, and ascertained by taking the amount of notes in the hands of the public at the close of business on each Saturday. My object in this paper, in so far as I was dealing with the circulation, was to shew what the effect upon the public and upon the banks would be if the substitution of something else for the system of issue which now prevails in Scotland. Now, I may be right or wrong in my calculations, but I am certainly right in saying that the circulation in the hands of the public was 6½ millions, and that in addition to that amount the experience of the Royal Bank is that, in order to carry on its business at 120 or 130 offices, a further amount of notes is required, equal to one and a half times its circulation in the hands of the public. If the experience of the other banks be the same, it necessarily follows, as I have endeavoured to state in the paper, that there must be in use at different times, either as circulation in the hands of the public, or as "till money" in the hands of the banks, upwards of 16 millions of notes. I remember very well in the year 1865 that you Sir John made a remark in Parliament that the rights of issue of the Scotch banks were worth some nine or ten millions. Well, I put it higher. I believe I have made a moderate calculation. If I am right it follows that the effect of a substitution of State issue for the existing method of issue in Scotland would be an abstraction from the resources of the banks, and consequently a diminution of the facilities of the borrowing public to the extent of 11 millions. Mr. Fowler said he did not understand what was meant by the *Gazette* return. It defines the amount of notes in the hands of the public outside the banks, and the amount of coin held against that circulation. On the 16th December last the circulation was 6½ millions, and the amount of gold was 4½ millions, so that there were practically 2 millions of notes uncovered by gold, which represents the authorised issues under the Act of 1845. With regard to the London question, I confess I carefully avoided it, for one cannot help feeling that occasionally the relations of the Scotch banks to the banks of London have been a little strained, very much to our regret. I cannot see any sound reason for the law which required the National Provincial Bank of England to sacrifice its circulation. That, however, is a question of policy for England to settle, and the Scotch banks should not be held responsible for that result. In so far as the Royal Bank is concerned, my answer to any remark on the subject is that we are in London in virtue of a statutory power, and so far as the other banks are concerned I have no reason to doubt that they have full legal power to be in London. It has not been questioned, but if anybody has any interest or right to question it they can do so. Two of them have been here

for nearly twenty years, and, in the absence of any challenge, it must be assumed, they have that right. The Scotch banks saw the absolute necessity of coming to London if they were to retain their Scotch business; and having been forced to come (and speaking for myself I had the utmost reluctance to come to London), they came with the desire to be on the best terms possible with everbody; for myself I am bound to say we have met with extreme courtesy.

The PRESIDENT (Sir John Lubbock): In rising to move a vote of thanks to Mr. Fleming there are one or two remarks I should wish to make. In the first place, with reference to Mr. Fleming's reply, on page 12 of his paper, to the article in the *Economist*, I believe the *Economist* did not intend to speak of the privilege of issue, but of the "exclusive" privilege of issue. As regards the privilege of issue and the amount of notes, Mr. Fleming and I agreed before the House of Commons Committee as to the value of the "till" money, and I do not think he has put it at all too high. Mr. Fleming said that it is vain to talk of the connection between this privilege and the monopoly enjoyed by the Scotch banks—that there is no more connection between the two than between Tenterden Steeple and the Goodwin Sands. It may be stupid of me, but I retain my old opinion, that it is practically almost impossible for a new bank to be started in Scotland as long as the existing Scotch banks have the exclusive right of issue. It is quite true, as Mr. Fleming observes, that certain Indian and Colonial banks have offices in Edinburgh and Glasgow, but those are mere offices which receive deposits, and not offices for the purpose of transacting an independent and regular banking business. Mr. Fleming knows as well as, and perhaps better than anybody in this room, the material difference between those descriptions of business. I ask anyone whether the number of banks both in Ireland and Scotland has not been kept down by this exclusive right to issue. I would almost appeal to Mr. Fleming himself, because in page 13, in arguing against taking from the Scotch banks their right of issue, he says "there are many branches opened solely because of the facility which the right of issue gives;" that is to say, he tells us that many of their branches would be closed but for this right to issue, and therefore it follows that any bank opening without the right of issue could not compete on equal terms with existing banks. I did not intend to say a word about the vexed question of the establishment of the Scotch banks in England, but perhaps, as Mr. Fleming has spoken on the subject, I ought to say just one sentence in reference to it. We all know that we in London have, for a number of years, been prevented from issuing notes, and it was naturally felt by Parliament that if we were prevented from issuing notes we ought not to be called on to compete with those banks which do issue notes. It cannot be denied that such was the intention of the legislature. We think it a hardship that we should be exposed to that competition with those who have a privilege denied

to us. At the same time I do not, however, wish to enter into that question. Mr. Fleming has said the right is uncontested, but if he will refer to the Blue Book of 1875 he will find that the highest legal authorities have expressed an opinion that no such right exists. Still, though we must, I fear, be content to differ on that point, and although possibly the relations between some banks have been a little strained, still, happily, that difference of opinion has never extended to those who are engaged in the management of the banks. It has been a question between banks and banks, and not a question between individuals and individuals. I may say there is no one for whom we all, as bankers, entertain a higher regard than we do for our friend Mr. Fleming, whom we look up to, perhaps, as one of the leaders of the banking business of the north, and whom we welcome here this evening, and I am sure I am expressing your views when I say we thank him for the paper he has been good enough to read.

BANKRUPTCY REFORM.

In the last number of the *Journal* was published a recapitulation of the former action of the Institute in this matter. In addition to the points there enumerated as being of special importance, the President, Sir John Lubbock, has called attention to the small power practically possessed by creditors in bankruptcy when a trustee has been formally appointed, and suggested that a short bill should be drawn up and introduced into Parliament, which, without interfering with the present machinery, or the treatment of the bankrupt himself, should give the creditors more power over their property in the following ways :—

(1.) To call for accounts.
(2.) To summon special meetings.
(3.) To insist on a division of the assets.
(4.) To change the trustees if necessary.
(5.) To obtain a list of the creditors.

On this suggestion of the President the Council have sanctioned the preparation of a bill in which the following are among the more important sections :—

(6.) It shall be lawful for any creditor, with the concurrence of one-fourth in value of the creditors (including himself), at any time after the appointment of the trustee, by a seven days' notice to be sent by post to each of the creditors, and to the trustee, to summon a general meeting of the creditors. The notice shall state the object of the meeting and the business intended to be transacted thereat.

Power to creditor to summon general meeting. [Act of 1869, s. 21, G.R. 120, 305.]

(7.) It shall be lawful for any creditor, with the concurrence of one-fourth in value of the creditors (including himself), at any time during the administration and management, by a trustee, of the property of a bankrupt or liquidating debtor, by a notice to be sent to the trustee as hereinafter provided, to call upon the trustee to furnish and transmit forthwith to such creditor, and to any other of the creditors, who may be specified in the notice as requiring the same, a statement of his accounts up to the date of such notice, and the trustee shall, upon receipt of such notice, forthwith furnish and transmit such statement of his accounts to such creditor or creditors.

Power for creditors to call for accounts. [See G.R. 1870 No. 305.]

The notice to be given by the creditor shall be in the form set forth in the schedule annexed to this Act, or as near thereto as may be, and must be signed by each of the several creditors who concur in requiring the accounts from the trustee.

Power for creditors to call upon the Trustee for explanations and information.

(8.) It shall be lawful for the creditors at any time at a general meeting, summoned for the purpose to call upon the trustee for any explanations and information respecting the property of the bankrupt or liquidating debtor, and its administration and management, that may seem to the creditors desirable, and it shall thereupon be the duty of the trustee to give to the creditors at such meeting all such explanations and information as may then be required of him.

Power for creditors to call for a distribution of assets.

(9.) It shall be lawful for a majority in value of the creditors at any time after the trustee has furnished and submitted the accounts provided for by sec. 6 of this Act, or has given the creditors the explanations and information provided for by sec. 5 of this Act, by notice to be given to the trustee in manner hereinafter provided, to require the trustee forthwith to distribute among the creditors such assets of the estate of the bankrupt or liquidating debtor as he shall then have in his hands available for distribution. The trustee shall, upon receipt of such notice, forthwith act upon the same, and proceed to distribute among the creditors such assets of the estate of the bankrupt or liquidating debtor as he shall then have in his hands available for distribution.

The notice to be given by the creditors shall be in the form No. 2 in the Schedule to this Act, or as near thereto as may be, and must be signed by each of the creditors giving the same.

The Trustee to furnish list of creditors.

(10.) The trustee shall, whenever required by any creditor so to do, furnish and transmit to such creditor by post, a list of the creditors, showing in such list the amount of the debt due to each of such creditors. The trustee shall be entitled to charge to the creditors requiring such list the sum of 4*d.* per folio of 72 words for furnishing the same, together with the cost of the postage thereof.

Liabilities of the Trustee for non-compliance with creditors' requirements.

(11.) If from any cause whatever a trustee, after having been duly required, as provided in the preceding sections, shall fail or omit to perform the duties, or do the things mentioned in such sections, or any of them, he shall be subject to the following liabilities, that is to say—

(1.) He shall be liable to be dismissed by the creditors from his office of trustee.

(2.) He shall, on being dismissed, forfeit all claims to any remuneration in respect of past services.

(3.) He shall be liable to pay the trustee appointed in his place any expenses to which the creditors may be put, by or in consequence of his dismissal.

(12.) Upon the trustee being dismissed or removed from his office, for any cause whatever, he shall, on being required so to do by the trustee appointed in his place, immediately deliver to such trustee all books kept by him, and all other books, documents, papers and accounts in his possession in any way relating to the office of trustee. If the outgoing trustee shall fail to comply with the provisions of this section, he shall be deemed guilty of a contempt of court, and be punishable accordingly. **Outgoing Trustee to hand over books and accounts to incoming Trustee.**

It is not intended that this bill should be regarded as indicating opposition to the Government bill. Should, however, the Government from any cause decide not to persevere with their bill during the present session, this bill would be pressed forward as an independent measure.

THE APPRECIATION OF GOLD.

The following important remarks were addressed to the House of Commons by the Right Hon. George J. Goschen,* in connection with the present depressed condition of the agricultural interests of the country :—

"He now turned to rather a more difficult and abstruse part of the argument, and he did not know that the House would be obliged to him for introducing the topic. Still, it was one of considerable importance. He had asked himself, and many statisticians and economists had asked themselves, whether a portion of the agricultural depression, not the larger part, which all admitted to be due to the seasons, but whether some part of it—was not due to the fact that there was a fall in the price of almost all farm produce except cattle, butter, cheese, and similar commodities. From the enquiries which were now being made, it appeared that there was—what could scarcely be denied—a considerable appreciation in the value of gold : that the appreciation in the value of gold had had a general effect upon the prices of almost all commodities unless there were very special counteracting circumstances. The economists argued in this way :—They said that through the demonetization of silver in Germany and the resumption of specie payments in America, some 200,000,000 of gold had been absorbed that would not otherwise have been absorbed ; and, therefore, they came to the conclusion that *a priori* it would be likely that the value of gold would increase, and that there would be a fall in, prices of commodities. The next process was to examine the prices of commodities, and see whether experience justified that conclusion. Whether they took iron, cotton, wool, leather, or wheat, the same rule was found to extend over the whole range of commodities—the sovereign had depreciated in price, while the greater quantity of commodities had remained stationary, or, in other words, we had to give a greater quantity of commodities for the same amount of gold, The reason why he had introduced the subject was that, if that were so, then the farmer, who raised a certain quantity of barley, oats, or whatever it might be, received for them a smaller price ; while, on the other hand, his debts for rent. payable in gold, remained unchanged. If that were so, it was a matter which all politicians who took an interest in commerce and agriculture in this country ought to bear in mind, and the one natural result from that would be that rents must fall. For if the produce from the land sold for a smaller amount, then that which could be paid for the occupation of land must also be a smaller amount. The argument he had submitted could be only met in one way, namely, by a denial of a general fall in prices. That, he believed, would be very

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* See Debate on the Address. *Times*, Tuesday, 20th February, 1883.

difficult to substantiate. He submitted that the fact of a fall in price did not extend to cattle, sheep, butter, cheese, and, in fact, to all the products of grazing farms, because in that particular industry a fearful havoc among the flocks had counteracted the tendencies of natural causes, and prevented that fall in price which otherwise was fairly universal. There would, no doubt, be a number of other causes, but he submitted this one for the consideration of the House and the public—that if, as was undoubted, there had been a greatly enhanced demand for circulation, through the flow of gold into the United States, Germany, and other countries, the natural consequence was that prices must fall. In short, just as the discovery of gold and its flow into this country gave a great temporary prosperity, increase in industry, and appearance of wealth, so a diminution in the supply relatively to the demand must produce the opposite consequences. Hon. members might say that this was no consolation to the agricultural interest; but it was their duty to look these facts in the face, because if they proved true it would tend to strengthen the case of the agricultural interest for the relief of taxation. He therefore invited hon. members on both sides to think out these great problems, which went far beyond the mere question then actually under discussion. The Government received the whole of their taxes in gold, its contracts were in gold, it had to pay interest on the Debt in gold. Salaries remained stationary, and the outgoings of the Exchequer were almost unaffected, except so far as purchases were concerned, by the causes to which he had alluded. But this was not so with those who had to pay the taxes. It was a matter most deserving the attention of economists whether the burden of taxation on all classes was not being tightened and the difficulties of agriculturists aggravated by the causes to which he had alluded. They might, perhaps, see in them some causes for that depression which had alarmed the country so much. It might be that the effect was merely temporary, as was the case on the discovery of gold, and that prices would right themselves, and thus matters settle down, but it might be that important changes were pending in the relations between debtor and creditor, and that those who were receiving fixed amounts might see a difficulty in being able to maintain the contracts into which they had entered. He was profoundly grateful to the House for having listened to his abstruse argument."

NOTES ON RECENT ADDITIONS TO THE LIBRARY.

The Practical Hand-book to the Bills of Exchange Act, 1882.

By Robert W. Barnett, Associate of the Institute.*

This admirably arranged and useful hand-book is designed to facilitate reference to any point in this comprehensive Act. In the short preface Mr. Barnett says that "the codification of the law relating to Bill of Exchange, Cheques, and Promissory Notes has substituted direct enactment for much that was previously doubtful. There will, of course, arise many cases that cannot be reached by this, or any Act of Parliament, and these must still be decided by common law. It is, therefore, very desirable to be able to ascertain at once all that the Act says on any given point, and the present hand-book will enable an inquirer immediately to decide on what points the Act is silent, as well as to refer to the words of the Statute in regard to those cases that it covers." Most business men will have realized the difficulty of finding readily the clause in an Act which deals with the point on which information is desired, or the still greater difficulty of ascertaining with certainty that no other enactment bearing on the same point is contained in some other section or clause. This indeed is a difficulty to which those who use this Act will, from the necessity of the case, be peculiarly liable, for it may be cited, as an instance, that under the general head of "Validity" the circumstances under which an instrument is not invalidated will be found in sections so widely separated as Nos. 3, 8, 12, 13, 20, 64, 72, 83 and 89. To search out these would involve no little time and labour. Again, there are, no doubt, points which the Act does not cover, and an answer to the enquiry whether it does or does not do so may be ascertained at a glance with reasonable certainty. It is gratifying to the Institute that an Act which it has been mainly instrumental in obtaining, and which, from the fact that it codifies a vast mass of written and common law, deals of necessity with an enormous variety of detail, should have been so clearly analysed and rendered so practically useful for those for whose use it was chiefly intended, by a gentleman whose name is so honourably connected with the Institute's past history.

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* Blades, East & Blades, 23, Abchurch Lane, E.C.

THE WORLD'S PRODUCTION OF GOLD AND SILVER.

It will be remembered that in his evidence before the Select Committee on depreciation of Silver, held in 1876, Sir Hector Hay put in a very complete estimate of the world's production of Gold and Silver, extending over many years. The figures were accepted, with the exception of those for some of the earlier years, by the late Mr. Ernest Seyd, who upholds them, especially as respects Silver, against other estimates, notably those of Dr. Soetbeer; and they are adopted, in some degree, by the American authorities.

Sir Hector Hay has lately continued this estimate down to the present time, and by his courtesy the figures are here given. There is probably no one in England, whether from his position or the attention that he has given to this subject, more capable of compiling such a table; and there is probably no one who would be more willing to admit that such accounts are, in the strictest term, but estimates, which are, possibly, a considerable way from the actual truth. But the great advantage of the continuance of such a table by the same mind lies in the fact that the same principle has been acted upon throughout, and that the same value has been attached to similar data, obtained from similar sources. Regarded in this light the figures are most valuable.

As it happens, about the same time a careful estimate of the world's gold production since 1857, has been published in the *Financial and Commercial Chronicle*, of New York, in the number for the 3rd February, which is here reproduced. What has been said as to the inability of any reliable figures being obtained of the total amount of gold produced, will find an illustration in a comparison between these two tables, the American figures being generally higher than those given by the English computer; but, on the other hand, the advantage of the two estimates being prepared on consistent principles is shown by the general similarity in the two accounts of the changes in production, and this no doubt is the point which is chiefly valuable in such estimates.

ESTIMATED PRODUCTION OF GOLD THROUGHOUT THE WORLD SINCE 1852.

By Sir Hector Hay.

In £'s sterling 000's omitted, thus :—£1,000 = £1,000,000.

Years.	Australia. 1	United States. 2	Russia. 3	Other countries including Mexico. 4	Total. 5
	£	£	£	£	£
1852	20,600	12,000	2,450	1,500	36,550
1853	14,140	13,000	2,450	1,500	31,090
1854	9,540	12,000	2,450	1,500	25,490
1855	12,065	11,000	2,450	1,500	27,015
1856	14,270	11,000	2,750	1,500	29,520
Total 1852-56	70,615	59,000	12,550	7,500	149,665
1857	11,405	11,000	2,750	1,500	26,655
1858	10,680	10,000	2,750	1,500	24,930
1859	10,820	10,000	2,750	1,400	24,970
1860	10,500	9.200	2,750	1,400	23,850
1861	9,760	8,600	3,000	1,400	22,760
Total 1857-61	53,165	48,800	14,000	7,200	123,165
1862	9,350	7,800	3,000	1,400	21,550
1863	8,880	8,000	3,110	1,400	21,390
1864	9,130	9,220	2,950	1,300	22,600
1865	8,820	10,645	3,275	1.300	24,040
1866	8,840	10,700	3,380	1,300	24,220
Total 1862-66	45,020	46,365	15,715	6,700	113,800
1867	7,910	10,345	3,350	1,200	22,805
1868	7,645	9,600	3,600	1,100	21,945
1869	6,320	9,900	4,025	1,000	21,245
1870	5,830	10,000	4,540	1,000	21,370
1871	6,650	8,700	4,800	1.250	21,400
Total 1867-71	34,355	48,545	20,315	5,550	108,765
1872	6,810	7,200	4,650	1,250	19,910
1873	6,290	7,200	4,500	1,250	19,240
1874	6,000	6,400	4,500	1,250	18,150
1875	5,750	8,000	4,500	1,250	19,500
1876	5,500	8,500	5,000	1,600	20,600
Total 1872-76	30,350	37,300	23,150	6,600	97,400
1877	5,500	8,900	5,000	1,600	21,000
1878	5,800	10,000	5,600	2,100	23,500
1879	5,800	7,700	5,700	2,100	21,300
1880	5,200	6,000	5,700	2,100	19,000
1881	5,800	6,000	5,700	2,100	19,600
Total 1877-81	28,100	38,600	27.700	10,000	104,400
1882	5,500	6,000	5,700	2,100	19,300

The figures down to and including the year 1875 are from the Appendix to the Report of the Special Committee on Depreciation of Silver, 1876.

The total production of each five years has been inserted for the sake of comparison with the American estimate.

ESTIMATED PRODUCTION OF GOLD THROUGHOUT THE WORLD SINCE 1857.

(From the *Financial Chronicle* of New York of 3rd February, 1883.)

In £'s sterling 000's omitted, thus :—£1,000 = £1,000,000.

Gold.	Production in Australia. 1	Production in U. States (Mint estimate) 2	Production in Russia. 3	Production of other Countries. 4	Total Production in World. 5
	£	£	£	£	£
1857	12,096	11,000	3,549	2,500	29,145
1858	12,762	10,000	3,454	2,500	28,716
1859	12,861	10,000	3,156	2,500	28,512
1860	11,838	9,200	3,053	2,500	26,591
1861	12.635	8,600	2,980	2,500	26,715
Total 1857-61	62,192	48,800	16,192	12,500	139,684
1862	12,933	7,840	2,990	2,500	26,263
1863	13,003	8,000	2,988	2,500	26,491
1864	11,724	9,200	2,862	2,500	26,286
1865	11,805	10,645	3,227	2,500	28,177
1866	12,529	10,700	3,397	2,500	29,126
Total 1862-66	61,994	46,385	15,464	12,500	136,343
1867	10,583	10,345	3,377	2,500	26,805
1868	11,051	9,600	3,503	2,500	26,654
1869	11,382	9,900	4,108	2,500	27,890
1870	9,237	10,000	4,414	2,500	26,151
1871	9,605	8,700	4,913	2,500	25,718
Total 1867-71	51,858	48,545	20,315	12,500	133,218
1872	8,841	7,200	4,771	2,500	23,312
1873	10,609	7,200	*4,500	2,500	24,809
1874	8,250	8,000	4,035	2,500	22,785
1875	8,250	8,000	*4,500	2,500	23,250
1876	7,243	9,670	4,500	2,500	23.913
Total 1872-76	43,193	40,070	22,306	12,500	118,069
1877	5,995	9,690	5,625	2,232	23,542
1878	5,995	10,580	5,785	2,246	24,606
1879	5,943	8,037	5,899	2,596	22,475
1880	5,943	7,440	5,899	2,711	21,993
1881	6,431	7,169	5,899	2,767	22,256
Total 1877-81	30,307	42,906	29,107	12,552	114,872
1882	6,405	6,504	5,948	2,920	21,777

* Estimated.

NOTE.—The figures in Column 1 for the first ten years are net exports taken from the Statistical Abstract for the Colonies added to the total coinage of the Sydney Mint; for next five years they are the net exports added to three-fourths of the coinage of the Sydney Mint; from 1872 (when the Melbourne Mint was opened) to 1876 we add to the net exports about 1¼ million pounds sterling for amount kept for circulation and consumption. This mode of reaching production is the same in substance as adopted by the Silver Committee of the House of Commons in 1876, and seems more reliable in result than the gross estimates which have been made. For subsequent years we adopt Mr. Burchard's (Director of U.S. Mint) figures of actual production, the authority for which he gives in his report.

The figures in Column 2 are (down to and including 1874) the Mint estimate as sent to the Parliamentary Silver Committee in 1876. Since that date they are taken from the annual Mint Report.

The figures in Columns 3 and 4 (down to and including 1875) are from information supplied the Parliamentary Silver Commission. Since that date they are the figures obtained by Mr. Burchard of the United States Mint.

ESTIMATED PRODUCTION OF SILVER THROUGHOUT THE WORLD.

BY SIR HECTOR HAY.

In £'s sterling 000's omitted thus :—£1,000 = £1,000,000.

Years.	United States, 1	Russia. 2	Other Countries, including Mexico. 3	Total. 4
	£	£	£	£
1852	...	1,200	8,000	9,200
1853	...	1,200	8,000	9,200
1854	...	1,200	8,000	9,200
1855	...	1,200	8,000	9,200
1856	...	1,300	8,000	9,300
Total 1852–56	...	6,100	40,000	46,100
1857	...	1,300	8,000	9,300
1858	...	1,300	8,000	9,300
1859	20	1,300	8,000	9,320
1860	30	1,300	8,000	9,330
1861	400	1,400	8,000	9,800
Total 1857–61	450	6,600	40,000	47,050
1862	900	1,400	8,000	10,300
1863	1,700	1,400	8,000	11,100
1864	2,200	1,400	8,000	11,600
1865	2,250	1,400	8,000	11,650
1866	2,000	1,450	8,000	11,450
Total 1862–66	9,050	7,050	40,000	56,100
1867	2,700	1,450	8,000	12,150
1868	2,400	1,450	7,500	11,350
1869	2,400	1,000	7,000	10,400
1870	3,200	1,150	7,000	11,350
1871	4,600	1,100	7,500	13,200
Total 1867–71	15,300	6,150	37,000	58,450
1872	5,750	1,000	7,200	13,950
1873	7,150	1,000	6,800	14,950
1874	7,200	1,000	7,000	15,200
1875	9,000	1,000	7,000	17,000
1876	7,700	1,000	8,000	16,700
Total 1872–76	36,800	5,000	36,000	77,800
1877	9,100	1,000	8,500	18,600
1878	9,000	1,000	9,700	19,700
1879	8,200	1,000	9,400	18,600
1880	7,800	1,000	9,400	18,200
1881	7,800	1,000	10,000	18,800
Total 1877–81	41,900	5,000	47,000	93,900
1882	9,500	1,000	10,000	20,500

The above figures, from 1852 to 1876 inclusive, are mainly taken from the Report of the Select Committee of the House of Commons on the Depreciation of Silver, 1876.

TOTAL ESTIMATED PRODUCTION OF GOLD AND SILVER THROUGHOUT THE WORLD.

(According to the Estimates of SIR HECTOR HAY.)

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

Year.	Gold.	Silver.	Total.
1852	36,550	9,200	45,750
1853	31,090	9,200	40,290
1854	25,490	9,200	34,690
1855	27,015	9,200	36,215
1856	29,520	9,300	38,820
Total 1852–56 ...	149,665	46,100	195,765
1857	26,655	9,300	35,955
1858	24,930	9,300	34,230
1859	24,970	9,320	34,290
1860	23,850	9,330	33,180
1861	22,760	9,800	32,560
Total 1857–61 ...	123,165	47,050	170,215
1862	21,550	10,300	31,850
1863	21,390	11,100	32,490
1864	22,600	11,600	34,200
1865	24,040	11,650	35,690
1866	24,220	11.450	35,670
Total 1862–66 ...	113,800	56,100	169,900
1867	22,805	12,150	34,955
1868	21,945	11,350	33,295
1869	21,245	10,400	31,645
1870	21,370	11,350	32,720
1871	21,400	13,200	34,600
Total 1867–71 ...	108,765	58,450	167,215
1872	19,910	13,950	33,860
1873	19,240	14,950	34,190
1874	18,150	15,200	33,350
1875	19,500	17,000	36,500
1876	20,600	16,700	37,300
Total 1872–76 ...	97,400	77,800	175,200
1877	21,000	18,600	39,600
1878	23,500	19,700	43,200
1879	21,300	18,600	39,900
1880	19,000	18,200	37,200
1881	19,600	18,800	38,400
Total 1877–81 ...	104,400	93,900	198,300
1882	19,300	20,500	39,800

THE NATIONAL LOANS OF THE UNITED STATES.*

A SECOND edition has recently been issued of the report on the National Loans of the United States, presented to Congress by the Secretary of the Treasury in 1881. It exhibits the same amplitude both of scope and detail, that so generally characterizes the reports of the government departments of the United States. It furnishes the most complete accounts of the circumstances attending the authorization and negotiation of all the National Loans from the time of the Declaration of Independence up to 30th June, 1880, and of the transactions that resulted, with tables of amounts issued, and date of redemptions. When we say that these tables include an account of errors occurring in the various loans, of apparent short redemptions and over redemptions, specifying even an excess of 4 cents on a loan of $4,735,296, in 1821, and a deficiency of 1 cent on the refunding of $4,454,728, in 1824; it will be evident that no labour has been spared to make the report complete.

It does not, however, appear quite to satisfy official ideas, as a note is appended, to the effect that the books are still undergoing examination with a view to the exact location of all the errors. The volume contains also accounts, with tables, of such of the National obligations as have been at various times included in the currency; of the old demand-note, legal-tender notes, and coin-certificates, both gold and silver. As it comes down only to 30th June, 1880, it has not much bearing on current financial questions, concluding at a time when the National Debt was in a very different position from that it occupies at present, when a large part stood at 5 or 6 per cent. interest, and when refunding operations contemplated nothing more advantageous than a reduction to 4 per cent.

But as a contribution to the materials of history it will be found both of interest and value. Not only has history tended more of late years to deal with the economic conditions of the people than with the incidents of statecraft and war, but the latter has itself become largely a matter of engineering and finance. In dealing with the financial aspect of the two great struggles of the United States, the student will find in this report the most ample assistance. From the

* The National Loans of the United States from July 4, 1776, to June 30, 1880. Washington: Government Printing Office, 1882.

modest subsidies collected at the Courts of France and Spain in 1776, to the gigantic issues of 1863-1864, every financial transaction partaking of the character of pledging future revenues is set forth in detail.

At the former period, when, indeed, the infant republic might have been supposed to be engaged in a task beyond its strength, its credit stood by no means low in the European markets. The first two loans, those of 1777 and 1778, together for about three-quarters of a million sterling, were negotiated at 5 per cent. interest, and issued at par. That of 1779, was taken at par, with interest at only 4 per cent.

Up till 1782, with the exception of an almost insignificant amount raised in Spain, France alone had furnished supplies, but in that year a loan was negotiated in Holland, and, in 1783, Mr. Adams was able to report "*There is not one foreign loan open in this republic which is in as good credit and goes so quick as mine.*" In 1784, owing to general financial difficulties in Europe, the apparently new expedient of bonus drawings had to be resorted to as an inducement to subscribers. A loan for two million guilders at 4 per cent. interest was negotiated at par, and it was arranged that, in the thirteen years next ensuing, 690 obligations were to be distributed by lot among the subscribers. The whole loan, together with the bonus obligations, being redeemed by annual drawings extending over seven years from 1801, an additional "gratification" being paid at the same time, at the rate of 4 per cent. in the first year, increasing annually by 1 per cent.

Till 1794 the government continued to borrow in Holland, at rates varying between 4 and 5 per cent., and the loans appear to have been issued at par, but subject to a discount, for commission and charges upon issue, ranging from 3½ to 6½ per cent. In later years the loans were raised, nominally at least, at home, and the rates of interest were generally higher. The accounts given include many loans raised for temporary or special purposes, and the details of these transactions, as well as the discussions and negotiations they gave rise to, throw much light on many points of interest in the history of the United States.

QUESTIONS ON POINTS OF PRACTICAL INTEREST.

The Council desire to express their readiness to receive at all times questions which are of general interest, and in regard to which it would appear desirable to assimilate the practice of bankers.

The following questions have been received, and answers are appended, which, after careful deliberation, the Council have approved :—

Question I.—M., a customer of B., a banker, pays to his account with B. a crossed cheque drawn on B. and payable to "J.," who is known to keep an account with another banker.

Is B. justified in declining to credit M. with the cheque, and in requiring it to be presented by J.'s or some other banker?

Answer: In the absence of special circumstances the banker would not be justified in declining to credit M. with the cheque.

Question II.—A cheque payable to "W. Jones or order" is presented for payment bearing the endorsement "R. S. Stanley, executor of W. Jones."

Would a bank be legally justified in paying such a cheque?

Answer: Before paying such a cheque the bank is legally entitled to require production of the probate.

Question III.—A., a merchant in London, sends to B., a merchant in the country, a cheque payable to B. or order, crossed "not negotiable." B. goes to his banker in the country and asks him to put the cheque to his credit, which the banker agrees to do. Before the cheque is presented to the banker on whom it is drawn A. finds that the goods which B. has sent him are not satisfactory, and instructs his bankers not to pay the cheque. The country banker, finding himself unable to recover the amount from B. sues A.

Is his remedy against A. affected by the crossing "not negotiable"?

Answer: No.

QUESTION IV.—Is a cheque invalid when not dated, or can any holder fill in the date ?

ANSWER: By the *Bills of Exchange Act*, 1882, *clause* 3, *sec*. 4, "A bill (cheque) is not invalid by reason that it is not dated ;" and by clause 12 of the same Act any holder may insert the date.

QUESTION V.—By what law does a banker return a cheque marked "out of date," when it has been issued more than six months ?

ANSWER: There is no law in the matter; it is merely a question of discretion.

QUESTION VI.—A., having a deposit in a bank, but not having a current account, joins B. in a promissory note to the bank for B.'s accommodation. A. refuses to give up his deposit receipt as security, but gives the banker a cheque for the amount of the note, which cheque is not passed through the books, but is pinned to the note to be used if A. should attempt to draw his deposit before the note matures.

Would the banker be justified in stopping the amount of such cheque from the deposit if drawn before the maturity of the note ?

ANSWER: The banker would be justified in stopping such amount.

QUESTION VII.—Is it the custom of bankers to give receipts for articles deposited with them for safe custody only, and if so, does the fact of having given a receipt place the banker under any responsibility which he would have avoided if he had not done so ?

ANSWER: It is not the custom for bankers to give such receipts, nor does the banker incur any additional responsibility by doing so.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Jan. 31.	1883. Feb. 7.	1883. Feb. 14.	1883. Feb. 21.	1882. Feb. 22.
	1	2	3	4	5
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	£
Notes issued	37,068	37,308	37,448	37,807	*35,876*
Government debt	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,735	4,735	4,735	4,735	*4,735*
Gold coin and bullion	21,318	21,558	21,698	22,057	*20,126*
	37,068	37,308	37,448	37,807	*35,876*
BANKING DEPARTMENT.					
LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	*14,553*
Rest	3,387	3,444	3,451	3,494	*3,450*
Public deposits	4,072	5,787	6,795	8,855	*8,665*
Other deposits	22,289	22,049	22,530	22,783	*23,315*
Seven day and other bills	188	236	225	186	*216*
Total	44,489	46,069	47,554	49,871	*50,199*
ASSETS.					
Government securities	11,885	11,883	12,388	12,383	*13,130*
Other securities	19,904	21,230	21,883	23,454	*24,651*
Notes	11,902	12,118	12,380	13,115	*11,344*
Gold and Silver coin	798	838	908	919	*1,074*
Total	44,489	46,069	47,554	49,871	*50,199*
Notes in the hands of the Public	25,166	25,190	25,068	24,691	*24,532*
Reserve	12,700	12,955	13,287	14,034	*12,417*
Proportion of reserve to liabilities (per cent.)	47·83	46·14	44·93	44·08	*38·55*
Rate of discount	4 %	4 %	3½ %	3½ %	*5 %*

	Feb. 1.	Feb. 8.	Feb. 15.	Feb. 22.	*Feb. 23.*
RATES OF EXCHANGE ON LONDON.					
Paris, cheque— (par £1=25f. 22½ c.)	25·19	25·23	25·22	25·23½	*25·29*
Berlin, 8 days— (par £1=20m. 43 pf.)	20·43	20·44	20·44	20·45	*20·45½*
New York, 60 days— (par £1=$4·867)	4·82¾	4·82¾	4·83	4·82	*4·85*
Calcutta, 4 m/d— (per rupee)	1s. 7⅝d.	1s. 7 9/32 d.	1s. 7 5/16 d	1s. 7 13/32 d.	*1s. 8 1/16 d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus: £1,000=£1,000,000.

For the weeks ending	1883. Feb. 1. 1	1883. Feb. 8. 2	1883. Feb. 15. 3	1883. Feb. 22. 4	1883. Feb. 23. 5
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	£
Public deposits	7,686	7,105	6,751	6,218	*11,972*
Private deposits	21,901	22,880	21,758	21,912	*35,622*
Notes in circulation	114,776	113,179	113,725	112,116	*111,006*
Other items	12,589	12,337	12,234	12,289	*13,526*
Total	156,952	155,501	154,468	152,535	*172,126*
ASSETS.					
Gold	38,706	39,072	39,307	39,619	*33,033*
Silver	43,223	43,302	43,326	43,402	*45,287*
Bills	45,740	43,588	42,417	39,878	*62,016*
Advances	17,212	17,711	17,457	17,984	*19,855*
Other items	12,071	11,828	11,961	11,652	*11,935*
Total	156,952	155,501	154,468	152,535	*172,126*
Rate of discount	3½ %	3½ %	3½ %	3 %	*4½ %*
	Jan. 31.	Feb. 7.	Feb. 15.	Feb. 23.	*Feb. 23.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£	£	£
Notes in circulation	36,655	35,303	34,349	33,903	*33,630*
Current accounts	10,944	10,787	11,042	11,553	*8,797*
Other items	6,916	6,911	6,909	6,906	*6,843*
ASSETS.					
Coin and bullion	30,825	31,016	31,369	31,685	*27,443*
Bills and Loans	20,044	19,075	18,240	18,176	*17,980*
Other items	4,277	3,546	3,380	3,197	*4,503*
Rate of discount	4 %	4 %	4 %	4 %	5 %

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Jan. 6. 1	1883. Jan. 13. 2	1883. Jan. 20. 3	1883. Jan. 27. 4	1882. Jan. 28. 5
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).					
LIABILITIES.	£	£	£	£	£
Notes in Circulation	3,507	3,505	3,494	3,397	*4,080*
Net Deposits	60,576	61,584	61,662	61,825	*63,220*

	£	£	£	£	£
Clearing-house returns............	132,105	108,685	132,490	115,958	*111,565*
Average price of wheat	40s. 4d.	40s. 6d.	40s. 8d.	41s.	*46s.*
Price of consols	102⅛	102⅛	102⅜	102⅝	*100⅛*
Bar silver, fine, per oz. standard	50⅝d.	50 $\frac{7}{16}$d.	50 $\frac{7}{16}$d.	50 $\frac{13}{16}$d.	*52d.*
3% French Rentes	78·10	79·15	79·17½	80·25	*82·82½*

The Institute of Bankers.

RICHARD B. MARTIN, Esq., M.P., in the Chair.

THE DEFICIENCY OF WEIGHT IN OUR GOLD COINAGE, WITH A PROPOSAL FOR ITS REFORM.

By R. H. INGLIS PALGRAVE, F.R.S.,

In view of the importance of the subject dealt with at the last Meeting, the Council have decided to publish this Supplementary number of the *Journal* without further delay.

Members are reminded that a Paper, "Notes on the Government Bankruptcy Bill," will be read by Mr. JOHN SMITH, on Wednesday next, March 21st, at 6 p.m.

population so closely that no apology is needed for recurring to it, especially at a time when, as at present, it is known to be to a large extent defective in weight. This circumstance does not, at present, cause within the limits of the United Kingdom much inconvenience to any persons, except to bankers. They find, if they receive in the course of their business more gold than they can readily pay away, that the surplus stock is difficult to deal with. Unless any other banker will take it off their hands they are compelled either to keep it till a demand for its use may spring up, in which

case a loss of interest on the capital lying idle is incurred, or to pay it into the Bank of England, when a loss from the deficiency in weight is sure to be met, the sovereigns deficient in weight being defaced at the Bank, so that they cannot again be placed in circulation, and the difference in value charged to the holder. As a rule, however, except at the Bank of England and at some of the public offices, no distinction is made between full weight and light coins. Even at the public offices the rule is not rigidly observed, and complaints are continually made, and I believe with entire justice, that coins paid away by one Government department are not accepted at another department. Little distinction being made between coins of full weight and those which are deficient, the latter continue to circulate readily. But, the moment it became understood that there was a risk that the sovereign would not pass current for twenty shillings, a terrible confusion would take place in every business transaction throughout the whole country. The workman who received his weekly wages of twenty-five or thirty shillings would not be able to know what he would be able to buy, the shopkeeper would be equally uncertain at what price he ought to sell, and would not know how to price his goods. If a sovereign did not mean twice ten shillings, ought he to price an article for which he had been in the habit of charging half a sovereign at ten-and-sixpence, or ten-and-ninepence, or eleven shillings, or even more.

It would be the same in every transaction of trade—in the highest branches as well as in the lowest. Uncertainty would prevail everywhere, and, as is always the case at such times, every unscrupulous person would seek to turn the opportunity to his own advantage. If the law on the subject were strictly observed there is no doubt that all these inconveniences, and even more, would arise.

The subject is of long standing, though it has taken some time to call public attention to it. As far back as fifteen years ago the Report of the Royal Commission on International Coinage announced that a large part of the gold coins circulating in the country were deficient in weight; and Mr. Fremantle, the Deputy-master of the Mint alluded to the same circumstance, in giving evidence before the Committee of the House of Commons on the Thames Embankment Bill—estimating that 40 per cent. of the Coinage was light. Since that time little or nothing has been done to withdraw the worn coins from circulation. The subject is thus a very difficult one. It covers likewise a vast extent of surface, for the sovereign is the legal coin used not only in England, but in Australia and the Cape of Good Hope, and it will require a very thorough consideration. It will therefore be desirable not to mix up with it any other point whatever, and to concentrate our attention on the state of the coinage alone, on the best mode in which to deal with the admitted deficiency in weight in the greater part of the gold coins now in use, and on the manner in which it would be best that the light coins now

circulating should be withdrawn. I have added a few lines at the end on the question of the seignorage, a subject which can hardly be dealt with in the limits of this paper. No better illustration of the present condition of our gold coinage can be given than a circumstance of which I was myself a witness a short time since. On going into a bank I happened to observe on the counter a new pair of scales for weighing gold with the proper set of equally new brass weights, for that purpose. There was a weight for 100 sovereigns, another for 50 sovereigns, the usual set in fact complete. Having the subject of the condition of the coinage on my mind and observing that the weights were new, and hence obviously the weight of new sovereigns, I asked the cashier how he found the sovereigns he took over the counter weigh against the new weights. "Oh!" he said, "we could not use the new weights as they were supplied us at all, we found they would never do as they were—we had to file more than the weight of half a sovereign off the hundred-pound weight and off the other weights in proportion before they would weigh at all against the gold which we receive in the way of business." Nothing can describe the state of the gold coinage more graphically than this statement. Here were the officials of a bank compelled to reduce the weights to the level of the coinage, to weigh the weights, in reality, against the gold, and not the gold against the weights. This illustration will show roughly what the practice is at the present time. We will now proceed to consider what more exact statistical information we possess as to the condition of the coinage and the amount of it in circulation. We will take the condition first.

2.—*Condition of the Gold Coinage, as shown by Professor Jevons and Mr. J. B. Martin.*

Two very careful enquiries have recently been made into the condition of the gold coinage of the country by very competent observers. The earlier of these was carried out by the late Professor Jevons, in 1868, the latest by Mr. John Biddulph Martin, in 1882. Both Professor Jevons and Mr. Martin possessed qualifications which placed them to great advantage in carrying out these investigations. Professor Jevons had in his early life practical experience in the matter of coinage, as he was from 1853 to 1858, or from his 18th to his 23rd year Assayer to the Australian Royal Mint, at Sydney. Professor Jevons was a careful investigator who worked at anything he undertook in a thoroughly scientific spirit, and his paper on the condition of the metallic currency of the United Kingdom, published in the Journal of the Statistical Society, for the year 1868, contains a description of the state which the gold coinage was in at that time, on which we may rely with great confidence. Mr. John Biddulph Martin who undertook the second investigation which is embodied in his paper on the gold coinage, contained in the Journal

of this Institute for 1882, had also the advantage of practical knowledge in the matter as a London Banker of much experience. Mr. Martin conducted his investigation in a very careful and thorough manner, following closely the same general lines as Professor Jevons had done. The result is that the later investigation confirms the results shown by the earlier one in a very instructive manner. Under these circumstances, and considering that the time at which I was requested to prepare a paper on the subject against this meeting did not allow sufficient opportunity for a further enquiry of my own, I have thought it was sufficient to avail myself of their calculations, and to lay before you on this occasion the practical considerations which appear to me to follow necessarily from the investigations made by Professor Jevons and Mr. J. B. Martin.

The first point which I desire to bring to your notice is how greatly the condition of the gold coins circulating among us continues to deteriorate. Professor Jevons estimated in 1868 that about eighteen years fair wear would on an average reduce a sovereign to being illegally light. I may be allowed to quote here the summary which Professor Jevons has given for his reasons for arriving at that conclusion :

"As the coins when issued weigh 7·9871 grms., and they cease to be legal tender when they fall below 7·9379 grms. (122·5 grains), it is easily calculated that just about eighteen years' wear will reduce a sovereign below its point of legal currency. Of course it is not meant that every sovereign will be light after eighteen years' wear, for some are coined heavier than others, or undergo less wear from accidental circumstances ; but these will be balanced by others coined lighter, or subject to more severe wear. But it would be hard to name a subject in which reasoning by averages may be more safely trusted than the present, because the coinage consists of an immense number of pieces which are constantly circulating through every part of the country and in every kind of business. A little reflection will show, I think, that though the age of any individual coin is but a poor criterion of its weight, that the age of 1,000,000 or 1,000, or even 100 coins, drawn from the ordinary mixture in circulation, must be a very sure criterion, as it is in the highest degree unlikely that even in 100 coins, the accidental peculiarities of the history of any of those coins should influence appreciably the general average." *

Professor Jevons further estimated that at that time 31½ per cent. of the whole of the sovereigns of the Kingdom were no longer of legal currency, and that about ten years wear would cause a half-sovereign to be light.

Mr. Martin's calculations as to the rate of wear came very nearly to the same result. He states that "the average life of a sovereign

* Professor Jevons' Paper on the Metallic Currency of the United Kingdom and International Coinage in the Journal of the Statistical Society for 1868.

and half-sovereign should be (at the mean annual rate of wear and tear) 17·9 and 11·6 years respectively; but that the faster rate of wear and tear in the earlier years brings down the period to 16 and 11 years respectively."

But while coming to this conclusion Mr. Martin's description of the condition of the coinage leads us to believe that it is in a far worse state now than it was when Professor Jevons made his investigation in 1868. Professor Jevons estimated that about 31½ per cent. of the gold in circulation was light. Mr. Martin considered that nearly 55 per cent. of the gold coinage now circulating is deficient in weight. This circumstance may warn us how very dangerous it will be to allow the present condition of the circulation to remain untouched much longer. As it is the mass of light gold now in use is so large that the dealing effectually with it will be a matter of great difficulty. For we must remember that it will not be enough to withdraw the light coin—the light coin must be replaced with full weighted coin—and the quantity required is so large that the operation will be a matter of great labour as well as of great difficulty, owing to the number of interests affected.

Mr. Martin observed that the half-sovereigns had worn more than the sovereigns, but as the recent coinage of half-sovereigns had been considerably greater than that of sovereigns, the proportion of full weight half-sovereigns to the total number now in circulation is much the same as that of sovereigns. We may hence broadly look at the whole gold coinage, sovereigns and half-sovereigns together, as being much in the same condition. There is always some uncertainty as to the fact how rapidly coin goes into actual circulation after it has been minted. It may be laid up for several years in the vaults of the Bank of England itself or of some other Bank. It may be hoarded, though this is less likely to be the case now than in former years, and hence not really pass into circulation for some considerable time. There must always be some doubt on these points, and I think we shall not gain much, if we gain anything at all, by going further into an attempt to make a more exact examination into the actual condition of the coinage. We may state roughly that many sovereigns sixteen years old are light, and that a sovereign eighteen years old must be expected to be light. We must now endeavour to estimate the amount of the gold circulation in existence, a point which it is more difficult to ascertain than the condition as to weight which it is in.

3.—*Estimates of amount of Gold Coin in circulation.*

It is extremely difficult to speak with any absolute certainty on this point. Neither the amount of English gold coin in circulation nor the proportion in use of sovereigns and half-sovereigns are known with sufficient exactness to enable us to speak of the quantity in use with anything like absolute accuracy. There are various estimates in existence made by Mr. Newmarch, Professor Jevons—both of whom

we have unhappily recently lost,—Mr. Hendriks and others, among whom I may be allowed to include myself. These estimates have varied, partly, apparently, according as the reserve at the Bank of England has been included in the total or not, from about £80,000,000 to about £117,000,000. None of these estimates are very recent, but I think we need hardly go so far as the larger of them, though there is one reason which renders it not desirable to confine the estimate within very narrow boundaries on this occasion, that we may not underrate the difficulties of the task now before us—difficulties which are obviously large in proportion to the amount of the coin now in circulation.

I propose to base the estimate which I now desire to bring before you on that made by Professor Jevons in 1868. This was that the circulation at that time did not exceed £80,000,000 in all, divided thus:—

Sovereigns	£68,000,000
Half-sovereigns	12,000,000
	£80,000,000

But Professor Jevons himself added that all he could assert to be shown by his calculations was "not that the gold circulation amounts to £80,000,000, but that it is under eighty millions, and probably lies somewhere between seventy and eighty millions." We shall therefore do well to bear this caution in mind.

From the time that Professor Jevons wrote to the year 1880 about £93,000,000 was added to the gold coinage in England and Australia, divided between £82,000,000 in sovereigns and £11,000,000 in half-sovereigns. A great mass of this coinage is certainly in Australia, and it would be taking rather a wide limit if we assumed that the circulation in England was now increased to

being in sovereigns	£90,000,000
and that in half-sovereigns to	20,000,000
	£110,000,000

I do not mean by this to hazard an opinion as to whether there may not be now more than £110,000,000 in English gold coin in existence, as it is exceedingly likely there may be, if that circulating in foreign countries is to be taken into account. But I think this estimate is as near as we can make for any useful purpose. It will, at all events, serve to show how large the figures are which we have to deal with.

We now approach the more difficult part of our task, which is the endeavour to estimate that part of the light coin in circulation which will have to be dealt with in order to bring the whole circulation up to legal tender weight. I have given above an estimate of £110,000,000 as the gold circulation of Great Britain and Ireland.

But for this purpose we may leave the gold coin held by the Bank of England out of account. This we may roughly estimate as being about half the bullion in its possession. The bullion being about twenty millions, if we deduct the half of this it will leave about £100,000,000 as the active circulation, and I think we may take the lower figure as that to be considered; and for this reason: We know that the gold circulating in the hands of the people is almost entirely confined to England and Wales. There is stated to be some circulation of gold coins, principally in half-sovereigns in Scotland and Ireland, but I find it very difficult to obtain any approximate estimate of the amount. The gold held by the banks in those countries may be assumed to be generally of full weight, but it really scarcely circulates in our sense of the word. Still we must include it in our estimate, and the published accounts state about £4,000,000 to £5,000,000 as held in Scotland and Ireland together. The basis of the numbers of the population may lead us to form some estimate of the quantity of gold really circulating in England and Wales. Can we put it as high as £3 for every man woman and child. My own belief is that £3 a head is fully high; if, however, we take it as a rough basis, as the population is about 26,000,000 this would give about £78,000,000. If we were to add to this sum the amounts held by the English banks, which we shall have to consider further on, and the amount held by the Scotch and Irish Banks, we should be brought close to a total of £100,000,000. Dividing this according to the calculations in Mr. Martin's paper, the results are as follows, on the basis of a circulation of 80 per cent. in sovereigns and 20 per cent. in half-sovereigns:—

Estimated Circulation of Gold in Great Britain and Ireland, divided between full-weight and light Coins.

Circulation.	Heavy.	Light.	Total.
Sovereigns	£36,000,000	£44,000,000	£80,000,000
Half-sovereigns	9,000,000	11,000,000	20,000,000
	£45,000,000	£55,000,000	£100,000,000

I may be reminded at this point that there are many English sovereigns circulating abroad, in Australia, the Cape of Good Hope, Egypt, Portugal, Brazil, and other countries. We need not, however, I think, concern ourselves about these. The gold circulation in Australia is, I understand, from information with which Sir Charles Mills has kindly supplied me, generally of full weight, such light gold

coins as are found there appear to be merely what have been brought over by individual incomers in their purses. The great mass of the Australian coinage has not yet been in circulation long enough to be reduced below legal tender limit. £10,000 in light gold was, however, recoined at the Sydney mint in 1878, under an order issued in 1875 that light gold coin should be recoined "free of charge," *i.e.*, as bullion, at £3 17*s.* 10½*d.* an ounce. The Sydney mint was opened in 1855. The Melbourne mint was not opened till 1872, and the question has hardly therefore arisen in Victoria. The same regulation, however, exists in the Melbourne as in the Sydney mint. The temptation to melt down full weight gold coins is probably smaller in Australia than elsewhere. In the other countries previously enumerated the sovereign is really regarded as so much bullion of which the weights and fineness is defined by a stamp. The coin is usually drawn from the Bank of England, and hence leaves this country of full weight. It does not really circulate in the country in which it abides. It is so much bullion there and is treasured accordingly. I think therefore that to estimate there is £100,000,000 in the hands of the public is quite sufficient, including what the banks in Great Britain and Ireland, other than the Bank of England, hold, and that of this amount about £55,000,000 is light. There are many reasons for believing that nearly all the light coins are within the United Kingdom. They are worth more there than they would be anywhere else. Outside her Majesty's dominions the coins are mere bullion, and are rated at what they are worth. Inside the boundaries of the realm the effigy of the Queen protects them. We all very willingly take a light sovereign because we know we can pay it away again without any fear. There may therefore be approximately £55,000,000 in light gold circulating in this country. If the sovereigns are 80 per cent. of the whole, there will be £44,000,000 in light sovereigns, and £11,000,000 in light half-sovereigns.

The difficulty of forming correct estimates in this matter extends to the cost of the operation. The following, which is a very rough one, is based on the statements in Mr. Martin's paper :—

Estimated cost of recoining £55,000,000

Viz.,	£44,000,000 sovereigns	@ 3d. each,	say	@	£12 10s. per £1,000
And	11,000,000 half	„ 5$\frac{1}{10}$d.	„		£21 10s. „

£44,000,000 sovereigns	@ £12 10s. per 1,000	£550,000
11,000,000 half	„ £21 10s. „	236,500
		£786,500

It now becomes advisable to pause for a moment to consider in whose hands the gold coinage may be supposed to be. We will first consider the amount in the tills of the English banks. Mr. Martin has given some indications as to this in his very valuable paper.

Other information has reached me, but hardly on a scale sufficient to make any very close estimate, as it was obvious that it indicated different arrangements varying with the requirements of each individual district. The basis on which the lowest estimate was made would have shown about £9,000,000 as the holdings in gold of the English banks. This seems to me smaller than is likely to be the case. Another basis gives £10,000,000, and a third about £12,000,000, as the probable quantity, and I shall proceed to make the calculation accordingly. I may add, however, that it is quite possible the actual amount may be rather above either of these sums. Dividing £12,000,000 according to the general proportion of light and heavy coins in ordinary circulation it appears that about £5,400,000 of it is in full weight coins, and £6,600,000 in light coins. It may be thought that £12,000,000 is somewhat too high an amount to assume. London banks hold, and naturally, a smaller amount of gold in their tills than provincial banks. The business of a London bank is not only more concentrated on one point than that of a country bank, which may have many branches at a distance from each other, but fresh supplies of gold can be more rapidly obtained in the Metropolis. Hence it may be safer to take the lower rather than the higher estimate. There is so much reticence among banks on the subject of the gold they hold, that any estimate of the amount must be made with the utmost caution. This reticence is, however, a matter to be regretted. No one supposes the gold held by a bank to be any appreciable part of its reserve; it is only till-money. The total amount which the banks hold, if estimated at £10,000,000, would be divided, following the proportion of the circulation in general, between, say—

£4,500,000 full weight coins,
5,500,000 light coins.

We might, perhaps, take the former figures approximately at £5,000,000.

The Scotch and Irish Banks have about £6,500,000 in their hands, of this we may safely assume that fully £5,000,000 is in full weight coins. Adding these figures together and taking £100,000,000 as the circulation we may divide this sum between

£45,000,000 in full weight gold coins,
55,000,000 in light gold coins.

There may be of full weighted coins with

English Banks, say	£5,000,000
Scotch and Irish	5,000,000
	£10,000,000

This would then leave not more than some £35,000,000 in full weight coins, sovereigns and half-sovereigns together, circulating in the country. I have left out of this estimate the gold held by the Bank of England.

4.—*The principle on which the Re-coinage should be carried on.*

Up to this point we have been concerned with an endeavour to estimate the amount of the light gold in circulation, and the proportion of it within the United Kingdom. We must now consider the more difficult question, the principle on which the withdrawal of the coin deficient in weight should be conducted. Withdrawal of the light coin must proceed side by side with the issue of the full weight coin. And the question now before us is this: who is to pay for the expense of this operation. There are apparently two ways and two ways only of dealing with this. The cost may fall—either on the Government, which, in this case, may very fairly require that it should only pay the cost of the genuine wear and tear from *bonâ fide* circulation—or on the last holder of the coin.

The Government may again, as it did in 1842, issue a proclamation stating that after a given date no light coin shall be allowed to remain in circulation, and that it shall be the duty of any person taking the same to cut or deface it in such a manner that it cannot be re-issued, the person tendering the same in payment to pay the difference between the nominal value of the coin and the actual value at the mint price for bullion. But there are a great many reasons against this course being adopted. There seems, in the first place, no reason founded on any principle of justice whatever why the last holder should pay the loss rather than any one else. The coin has passed through countless hands before it has reached him. Why should he suffer for what others have done? I may quote in support of the principle that the cost of repairing the wear and tear of the circulating medium should be at the charge of the State, the opinion of the French economist, M. Michel Chevallier, who, in writing on this subject in the article on *Monnaie* in the *Dictionnaire de l'Economie Politique*, observes: that equity requires that Governments which personify the mass of the public should bear the loss on wear in the coinage. I may quote also M. Emile de Laveleye as holding the same opinion. In France, the Government is responsible for the fair wear and tear of the coin generally, but the case has not arisen. Though there is no law requiring the Government in that country to bear the cost of recoinage it is believed that if the charge were placed on the public such an outcry would be raised that the Government would be unable to adopt such a measure. In Belgium also, as in France, it is believed that the cost would have to be borne by the State. And though in England, forty years ago, the difference in value between the light coin and the weight which it possessed when it

was fresh minted and unworn was paid by the last holder, there is a precedent for the State undertaking the charge of such an operation as the one which is now required, and that too at a time when the finances of the country and the Government alike were in a far less settled condition than they are at present. I refer to the great recoinage of silver in the year 1695. The coins then current in the realm had, partly owing to imperfection in their manufacture, fallen into so bad a condition that their real value was in some cases 40 per cent. below their nominal value. The coins had been clipped, mutilated, and reduced in weight till a hundred pounds in silver coins, which should have weighed about four hundred ounces, actually, in some cases. weighed no more than a hundred and sixteen. It was proposed by some, and by persons of great standing, that the loss should be borne by the last holder. But, as Lord Macaulay eloquently argues, this would have been a great injustice. The restoration of the currency, he says, was a benefit to the community, on what principle, then, was the expense of restoring the currency to be borne by a part of the community ? Eventually the cost of this great re-coinage, £2,700,000, was borne by the Government. The measure was supported by that great statesman and lawyer, Lord Keeper Somers. I may, however, have the opinion of Sir William Petty cited against me. I have therefore quoted his remarks on the subject, which now follow, together with the answer made to them by Mr. McCulloch. Sir William Petty, however, in his answer to his second query proposes that the re-coinage should be at the charge of the State where the owner was not the "cause of the inequality." It was the loss caused by clipping and mutilating the coin which he thought the State was not bound to meet. The present method of milling the edge is a complete preservative against this form of fraud. The authority of Mr. McCulloch as an economical thinker is well known. It will be observed, also, that the recommendation made in this paper as to the best mode of dealing with the difficulty has likewise Mr. McCulloch's support.

Sir William Petty's *Quantulumcunque* concerning Money, 1682.

To the Lord Marquess of Halifax.

Suppose that 20*s*. of new milled money doth weigh 4 ounces *Troy*, according to custom or statute. Suppose that 20*s*. of old *Eliz.* and *James's* money, which ought also to weigh 4 ounces *Troy*, doth weigh 3 ounces *Troy ;* and very variously between 3 and 4 ounces, viz., more under 3, and none full 4. Suppose that much of the new milled regular money is carried into the *East Indies*, "but none of the old light and unequal money.

Questions.

Qu. 1. *Whether the old unequal money ought to be new coined, and brought to an equality?*

Answ. It ought: Because money made of gold and silver is the best rule of commerce, and must therefore be equal, or else it is no rule; and consequently no money, and but bare metal which was money before it was worn and abused into inequality.

Qu. 2. *At whose charge?*

Answ. At the States charge, as now it is; because the owner was no cause of its inequality, but the States neglect in (not) preventing and punishing such abuses, which are remedied by new coinage.

Qu. 3. *Of what weight and fineness ought the new shilling to be?*

Answ. Of the same with the other present new money, and which the old was of when it was new. Because all must be like, according to the Statute; and all fit to pay ancient debts, according to what was really lent.

Qu. 4. *Suppose 20s. of old money may make but 18s. of new, who shall bear the loss of the two shillings?*

Answ. Not the States: Because men would clip their own money, but the owner himself must bear the loss, because he might have refused light and defective money, or put it away in time; it being sufficient that he shall have new regular beautiful money for his old unequal money, at the States charge, ounce for ounce weight. *

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* Note by J. R. McCulloch.

"This is a controverted question, but on the whole we have no difficulty in dissenting from the opinion of Petty. Coins are to be regarded rather as the property of the public than of individuals. They pass freely from hand to hand among all classes; and their weight is diminished by the wear they undergo, and sometimes also (as was especially the case in 1690) by the fraudulent practices of clippers and others. But it would be most unjust to make the present holders of coins responsible for their wear during the previous twenty or thirty years, or for the depredations practised upon them in the teeth of the law by knaves and swindlers. These are losses which the coins have incurred in the public service, and they should consequently be borne by the public.

It is true that in carrying out this principle considerable difficulties have sometimes had to be encountered. Previously to the great recoinage in 1696-99 the practice of clipping the coin was carried to a great height. And it was contended that if a proclamation were issued, calling in the coins in circulation by a certain day that they might be exchanged for new coins of full weight, a corresponding premium would be offered to the clippers to redouble their activity in the interval. And as this was the course adopted on the occasion referred to, the anticipated result was realized to the fullest extent. It is believed, indeed, that the coins lost as much by clipping between the period when it was announced that they would be called in and exchanged for new coins, and their exchange for the same, as they had done in the course of the preceding ten or twelve years (Leake's English Money, 2nd edition, p. 391, &c.). But it is very improbable that a loss of this sort will have to be again made up, inasmuch as milled coins, which are now exclusively in use are little susceptible of being clipped. And it may further be observed that the loss experienced in 1696-99 from the circumstances already mentioned might have been in great measure obviated had Government taken upon itself the responsibility of the coinage, and quietly prepared a supply of coins at the Mint, sufficient to enable them at once to call down those in circulation."

If the light gold is now to be withdrawn on the same terms that it was in 1842 every light coin will have to be weighed, and the person who tenders it in payment will have to pay the difference. There will be continual wrangling over the charge. It will be impossible to make uneducated and even educated persons, who have been accustomed for years to handle light coin, to understand the justice of allowing them only 19*s*. 6*d*. or 19*s*. 8*d*. for the same sort of sovereign as they have continually used. They will suspect that the person who makes the charge does it for his own advantage, even though they may see the coin, as in 1842 and 1843, cut and defaced, so that it is not capable of further circulation, under their very eyes. There is, besides, the continual hindrance to business which the weighing each separate coin piece by piece will cause.

A complaint has sometimes been brought against bankers that they have conduced towards the present defective state of the circulation, by omitting to obey the injunctions of the Coinage Act of 1870, which requires that where any gold coin of the realm is below the current legal weight, the person to whom it is tendered in payment shall deface the same to prevent its further circulation. No doubt if bankers had carried this statute out in its entirety, the light coin would before this time have been withdrawn from circulation. But it is difficult to see that the provisions of this Act apply to them more than to any other class in the community. They may likewise claim to have followed high example in what they have done. It is well known that the Post Office do not, as a rule, cut the light gold coin tendered to them, and that they re-issue this light gold in payment of Post Office orders and notes, and also of wages to subordinate officials. If then bankers have erred, they have only done so in company with that department of Her Majesty's service which is always credited with the character of being worked in the most efficient manner.

A rough estimate of the cost of the recoinage has been given above, placing it at about £786,000. There might be some profit made on the coinage of silver if more silver were brought into circulation in consequence of the recoinage of the gold circulation. But much could not be expected from this source. The following memorandum, with which Mr. Fremantle has kindly supplied me, shows that the transactions of the Mint for the last five working years have not been carried on at a profit. They have not, it is true, been years of much business at the Mint, but still they afford some guide to the result of its operations.

The average net result of all the operations of the Mint during the five years to 1881 inclusive, shows a *loss* of £5,549 a year, as shown in the subjoined account :—

EXPENSES AND RECEIPTS OF THE MINT FOR THE FIVE YEARS, 1877–81.

Average net *Profit* per annum on the operations of the coinage, after paying all expenses, including cost of establishment and maintenance, superannuation and compensation allowances, expenditure incurred by other Departments on account of the Mint, and loss on the withdrawal of worn Silver coin ...		£7,741
Average Debt due by the Mint to the Exchequer for advances for purchase of Bullion on 31st December in each year	£443,000	
Deduct interest on this amount at 3 per cent.		13,290
Net *Loss* per annum		£5,549

5.—*The inequality of the incidence of the charge, if made on the individual.*

The charge if made on the last holder, will also be very unequal in its incidence as far as the general population of the country is concerned, because the circulation of light gold is very unequally divided over the whole of the country. This is very conclusively shown in the following table derived from Professor Jevons' paper. This table shows that the proportion of light gold varied from about a fifth part to being nearly half the total circulation in different portions of the country. A similar enumeration at the present time, would show, if the reports which have reached me are correct, that there are districts in which at the present time not a quarter of the whole circulation is of full weight.

From the following table we can readily ascertain the varying proportions of light sovereigns in different parts of the country, arranged in order of magnitude :—

	Per Cent.		Per Cent.
Eastern Counties	44	Birmingham	31
Hull	38	Glasgow	31
South Wales	36	North Ireland	30
„ Midland Counties ...	36	Lancashire and Cheshire ...	30
Edinburgh	34	Ormskirk	30
South Western Counties ...	34	Northern Counties	30
North Wales	34	London	29
West Midland	34	Yorkshire	29
North Midland	34	South Scotland	28
South Eastern Counties ...	33	Manchester	22
Swansea	32	Manchester (second enumeration	21
North Scotland	31		

General average 31·5 per cent.

The charge would also fall more heavily on bankers than on other people. I do not imagine for a moment that they would object to bearing their share, but they may not unreasonably object to bearing

more than their share. My estimate of the loss they will have to bear on their stock of till money is as follows, according, as we suppose it to be £12,000,000 or £10,000,000 :—

Estimated £12,000,000 in hands of banks, of which £5,400,000 is heavy and £6,600,000 light, proportion of 80 per cent. sovereigns and 20 per cent. half-sovereigns.

	£4,320,000	heavy.
£9,600,000 in sovereigns	5,280,000	light.
	£1,080,000	heavy.
£2,400,000 in half-sovereigns	1,320,000	light.
Total heavy	£5,400,000	
„ light	6,600,000	
	£12,000,000	

£5,280,000 in light sovereigns @ £12 10s. per 1,000	£66,000
£1,320,000 „ half „ „ £21 10s. „	28,380
Loss	£94,380

Estimated £10,000,000 in hands of banks of which £4,500,000 is heavy, and £5,500,000 light, proportion of 80 per cent. sovereigns, and 20 per cent. half-sovereigns.

Heavy £4,500,000.

£3,600,000 in sovereigns.
£900,000 in half-sovereigns.

Light £5,500,000.

£4,400,000 in sovereigns @ £12 10s. per 1,000 ...	£55,000
£1,100,000 in half „ „ £21 10s. „ ...	23,650
	£78,650

But this by no means represents all the expense which the operation would entail on bankers. There will be considerable expense incurred in forwarding the light coin to the mint, and in bringing the full weight coin down into the country. Besides this, it is a low estimate if we suppose they would have to keep 10 per cent. more coin in their tills while the operation is going on. They would have to credit their customer with the light gold as he paid it in. They would have to hold the light gold for some time before it was returned to them as full weight coin. It is not likely that the operation could be completely carried through in less than four or five years' time. If we take the addition to their till money at the moderate proportion of 10 per cent. for three years only, and reckon that their money is on an average worth to them 3 per cent., we shall find that if their present holding is 12 millions the loss to them under this head in three years, to take no longer a time, would be

£108,000 ; if 10 millions, about £90,000. The banks thus must incur a charge greater than the deficiency in value of their light coin. This particular charge of loss of interest will fall on them, and on no other class in the community. There is no one else who will have to hold a larger stock of specie—but bankers will be unable to avoid this while the operation is going on.

There are other reasons against making the charge on the individual holder. It must do great mischief in the manner now pointed out. It would do great mischief in other ways. It would place a power of petty extortion, small in one sense, but heavy and most galling in another, in the hands of every retail trader and small employer of labour throughout the country. As pay day came round, and the wife of the working man took the half-sovereign or the sovereign received for the weekly wages to the little shop, the dealer would refer to the proclamation which declared that light coin was no longer current. He would weigh the gold tendered to him in scales which would certainly not give the turn to the customer. He would mulct him from threepence to sixpence, or even more, for the presumed deficiency,—and what would there be to prevent him from re-issuing the coin—on which he had made the charge —to some other ignorant man to whom he had a payment to make and who did not venture to refuse to take the coin offered him. We must bear in mind that the withdrawal of the light gold, if the light coin is withdrawn by proclamation, will affect every retail purchase and sale carried on throughout the country, and we can hardly overestimate the confusion which would hence result. We have to remember also that some of the sovereigns now circulating are very deficient in weight. So much of the existing coinage is worn, that very light sovereigns circulate without causing any suspicion. The public has in fact become so completely accustomed to light sovereigns that one rather worse than the rest passes without scrutiny.

It may be said that in advocating that the loss on the recoinage should be paid by the State and not by the individual possessor of the coin, the banks as the largest holders are actuated by personal and private motives. But we may, I think, most fairly and entirely disclaim that imputation. It is true that a large part of the charge in the first instance would fall on ourselves. If the light coin in the hands of the banks amounted, as it very well might, to £6,600,000, the first charge, which might very possibly be as much nearly as £95,000, would fall on the banks. But as the labour and trouble of the whole work of the withdrawal of the light coinage and of the substitution of the new full-weighted coin would pass through their hands, they would doubtless be able, if they desired to do so, to recover the charge from their customers, on whose account it had been incurred.

It is not because it would form so heavy a tax on bankers, though as I have shown it would be twice as heavy in their case as in that of the rest of the community, that I have advocated that the

charge should be met by the Government. I have done so because it is most just that a work, undertaken for the benefit and advantage of the community should be paid for by the community at large. And there are other reasons besides: the placing the charge on the last holders would interfere greatly with business, with that freedom and alacrity of transaction on which the prosperity of the country so largely depends.

There is a further reason why the loss on a light coin should not be charged to the last holder, which may fairly be urged. This, is the fact that all the coins issued from the mint are not, and can hardly possibly be absolutely equal in weight. The sovereign, at the minimum legal tender weight, is not of the full value of twenty shillings. The allowance or working remedy for weight, is certainly small, being only 0·17 grains, but even this fraction of weight makes a difference. The sovereign is also allowed to circulate until it has been reduced by more than the value of a penny. Coins intrinsically worth 19*s.* 10½*d.* each, may legally be paid across the counter of the Bank of England in exchange for their notes. But if the coin falls below this value by ever so small a fraction, the holder is fined, under the Coinage Act, the entire deficiency. The matter may be put in a tabular form as follows:—

		grs.	d.
Standard issue weight of sovereign	... =	123·274	240
Lowest legal weight of issue	... ... =	(123·074)	
Minimum legal tender weight	... ... =	122·500	238·493
		·774	1·507
Add difference between buying and selling price of gold = 1½d. per oz.	... ...	·198	·385
Add for turn of scale	... ...	·001	·001
		·973	1·893

The slight margin which separates a coin which is legal tender from one which is not may best be illustrated by what sometimes occurs during the annual removal of gold to and from Scotland, required under the Bank Act of 1844-5. The gold which has to be held against the excess note issue of the Scotch Banks, is packed in boxes at the bank, moved to Scotland, and then brought back again in about two months' time. Though the coin is enclosed in bags tightly packed, some friction takes place. And I am told that every now and then a sovereign forwarded from the Bank of England, of legal tender weight, proves on its return to have become light through the slight abrasion it has undergone, though the parcel has never been unpacked from the time it left the Bank of England, to the time that it was brought back there again. Mr. Kirkman Hodgson's estimate given before the Select Committee, in 1875, of the House

of Commons on Banks of Issue was that from five to eight or ten coins out of a box of 5,000 sovereigns became light through performing the double journey. Another explanation of this circumstance has been given me, which is as follows:—The coins before being sent are weighed in the bank in automaton weighing machines, which indicate about the $\frac{1}{100}$th part of a grain. It is clear that no machine dealing with a weight so infinitesimal will always, so to speak, give the same decision, as a grain of dust will literally turn the scale, and a sovereign, therefore, on the very verge of the least current weight may be passed on one occasion and rejected on another even by the same machine.

When such thin partitions divide light coin from heavy, it does not seem fair to charge the last holder with the whole loss. The coin paid to him may have been legal tender at the moment, but the slightest further abrasion may put on him the cost of the whole deficiency.

6.—*The method by which the light coin might be most readily withdrawn.*

We have now endeavoured to estimate the proportion of light coin in circulation, as well as the quantity which would have to be dealt with and the principle on which the cost of the recoinage required should fairly be met. We have now to consider one point further: the arrangements by which the operation might be most readily carried out.

What would be the best step to take first? The easiest step by far would be for the Government, acting through the Bank of England, to send a circular privately to every bank in the kingdom, stating that under certain conditions as to weight and to number, which I shall presently proceed to consider, it would give by tale, a new full weight sovereign for an old one, for every sovereign then in their possession minted before a given date, that is, for the light coin now in their tills, the amount of which I have estimated as being from five and a half to six and a half millions. This date of coinage should be fixed not later than 1866—it might preferably be 1870.

An arrangement would be necessary that the coins should be dealt with in parcels of not less than fifty. As all coins minted before a given date would be withdrawn, irrespective of their weight, this plan would bring together some coins of better weight than the others. A scale of a maximum wear would be allowed on the parcel, increasing according to the age of the coin. The investigations both of Professor Jevons and of Mr. Martin show that this may be placed at about ·043 of a grain for each year of circulation. Thus, if the parcel contained some very light coins the person who brought it would be allowed the advantage of the heavier weighted coins of the age within the limit of date. By dealing with the coins to be withdrawn in this manner, and allowing a minimum number of

50 coins to be brought to the Bank of England in one parcel, a very considerable check would be put on tampering with the coinage by reducing its weight. Every bank in the country knows its own customers more or less, and if a person were found to be in the habit of bringing to the counter of a bank suspiciously light coin it would be easy to seal the separate parcel up in a bag, to send it direct to the Bank, and to charge the individual who brought it with the loss. If people were sure the practice would be detected, as it readily could be in this manner, it would not be attempted. It might be thought advisable not to publish the diminution in weight for natural wear and tear allowed by the Bank. If this were done some persons think there might be a disposition to reduce the coin just down to the minimum allowed. There seems, however, good reason for believing that there is no great risk of "sweating" being generally attempted. It is true that coins may be reduced in weight by suitable chemical solvents, but I have been informed on high scientific authority that this is hardly likely to be carried out upon any large scale for two reasons: 1st, because the class of people who might attempt to employ such a method could not possibly obtain a sufficient supply of coin to render the occupation of the process profitable; and, 2nd, because coins that have been submitted to a chemical solvent always bear more or less evidence of their treatment, and the risk of detection would therefore be very great. If the Bank of England worked through the other banks in a private manner no one would know with any certainty either from what district the light coin was being withdrawn, or what portion of the coinage was being dealt with, and this would greatly diminish the risk of the coin being unfairly reduced in weight. The banks which were drawing it in would know the limits of weight allowed and would be able to put an instant check on any such fraudulent operations. If the half-sovereigns were left to the last the position of the coinage in sovereigns would, after the light sovereigns in the tills of the banks had been replaced with full-weighted ones, stand somewhat as follows:—

Of the light sovereigns originally, say	...	£44,000,000
The banks would have paid in ,,	...	6,000,000
Leaving with the public about ...	...	£38,000,000

Towards meeting this, the gold in the light coin withdrawn from the banks would be available, and taking the bullion held by the Bank of England, the stock of sovereigns held by the Scotch banks, possible assistance from the Australian banks in case of need—though this could not be large—there would be, I think, no real difficulty in dealing with a mass even of 38 million light sovereigns,

and of gradually drawing them in. It is quite probable also, that the payment of wages would allow a considerable coinage of half-crowns to be absorbed. They are very convenient coins to use, and £400,000 or £500,000 might, I believe, be easily placed in circulation.

The alternative to the plan of withdrawing the light gold privately would be to do it by proclamation, as was done in 1842 and 1843. The proclamations dated in those years, together with the notices issued by the Bank of England at the same time, are printed in the Appendix to this paper. These proclamations were followed by the withdrawal of about £14,000,000 in gold coin between July, 1842, and March, 1845, as is detailed in the extract from the evidence of the Hon. C. W. Fremantle, the Deputy-master of the Mint, before the Select Committee on London City Lands (Thames Embankment) Bill, 1881. The question was put to him by the Chairman, Mr. Shaw-Lefevre :

Qu. 195. *You assume that 40 per cent. of the coins are light; what would that imply in regard to the future re-coinage of the gold coins?*

Answ. To meet the ordinary annual demand, and to re-coin the 40 millions of light gold, it would be necessary to provide for the coinage of £15,000,000 a year for four years, in sovereigns and half-sovereigns.

Qu. 196. *How would the light sovereigns be called in?*

Answ. In 1844, when the last re-coinage took place, the light coin was called in by a proclamation, and the price of £3 17*s.* 10½*d.* per ounce was paid for it on delivery at the Bank of England; at the same time the public were warned that the coins below the least current weight were not legal coins, and should not be accepted, and the result was very satisfactory, The proclamation also directed revenue officers and others to conform to the law. Under this arrangement £11,137,000 of light coins was received at the Mint and re-coined, during the 18 months from July, 1842, to February, 1844; and so great was the stimulus which appears to have been given to withdrawal, that during the subsequent 14 months, to the 21st of March, 1845, a further sum of £3,000,000 in light gold was withdrawn from circulation, although the arrangement with the Government had come to an end, and the Bank of England, in June, 1843, had reverted to its normal practice of paying for light coin at the rate of £3 17*s.* 6½*d.* only per ounce.

But any one who compares the position of matters now and in 1842 will perceive the vast difference between them, and how much more difficult is the task of restoring the coinage to full weight now than what it was then. In about eighteen months then about £11,000,000 was withdrawn; in fourteen months more about £3,000,000 further. But we now have about £55,000,000 at least to deal with—nearly four times as much. The deficiency in weight is also greater. The operation is thus every way more difficult and larger. Mr. Fremantle appears by his evidence to think it might require four years to carry through. There does not seem to be any convenient arrangement which could be proposed by which the operation, if carried through by proclamation, could be divided into separate portions. It

might be possible to withdraw the coins according to date in separate series, and I had originally thought of this as a possible method of dealing with them. But on considering the vastness of the operation, and the difficulties connected with it, I have come to the conclusion that to conduct it privately through the agency of the Bank of England would be by far the most convenient, as well as the safest course for the country to pursue. It must also be remembered that, should the plan followed in 1842 be adopted now, we should run the risk of disturbing the circulation of the English sovereign throughout the civilized world. It is not in England alone that the influence would be felt, while in England, should any commercial troubles come up while the operation was being carried through, the difficulties would be immensely increased. The crisis of 1866 is still before the memories of many of us—that of 1878, far less openly terrible, might easily have led to distress almost as widespread. Such events, I trust, will not soon recur, but the operation of bringing the coinage back to standard weight, too long delayed, must, under the most favourable conditions, require a considerable time, and I feel that grave disadvantages may ensue if the operation is conducted in such a manner as to cause uneasiness in the public mind. On these grounds, therefore, in addition to those I have previously mentioned, I hope that we may see the plan proposed in this paper, which has the weight of fairness to the public, of advantage to business, of precedent, and of high opinion in its favour, successfully adopted.

It is true that the operation would, as I have estimated, impose a very considerable expense on bankers, but we may conclude that they would cordially assist the Government in carrying the operation through on the basis I have proposed, as it would be so much to the public advantage. I have not entered in this paper on the question of imposing a seignorage or charge on minting the gold coinage. An arrangement might be made, I think, which would both benefit the Exchequer and afford some security against the demands on the gold coinage for export which now constantly take place, but that question would lead us into a different range of subjects altogether, and is outside the matter I was asked to bring before your notice on this occasion—namely, the bringing back our gold coinage to its proper weight on the present standard basis.

APPENDIX.

Copy of PROCLAMATION, dated 3rd June, 1842.

[Gold coin below a certain weight not to be current or pass in payment. The cutting and defacing of light coin enjoined.]

By the Queen.

A PROCLAMATION.

VICTORIA R.

WHEREAS it has been represented unto us that great quantities of the gold coin of this realm, deficient in weight, are now in circulation, contrary to the tenor of two Proclamations issued, one by His late Royal Highness George Prince Regent, in the name and on the behalf of His late Majesty King George the Third, bearing date the first of July, one thousand eight hundred and seventeen, and the other issued by His late Majesty King George the Fourth, bearing date the sixth of February, one thousand eight hundred and twenty-one; and there being reason to believe that due attention is not paid to the weighing of the said gold coin, and the directions given in the Acts of Parliament now in force with respect to the cutting, breaking, or defacing such pieces thereof as are found to be of less weight than those declared by the last of the aforesaid Proclamations to be current, and to pass and be received in payment; we do by this our Royal Proclamation declare and command, that, from and after the date hereof, every gold sovereign of less weight than five pennyweights two grains and a half, and every gold half sovereign of less weight than two pennyweights thirteen grains and one-eighth, be not allowed to be current, or pass in any payment whatsoever: and we do hereby strictly require and command all our loving subjects, and particularly all the officers, collectors, and receivers of our revenues, strictly to conform to the orders hereby given, and to the directions and regulations enacted and established in the several Acts of Parliament now in force with respect to the cutting, breaking, and defacing such pieces of the said gold coin as shall be found deficient in weight: and we do hereby further ordain, declare, and command that the said gold sovereigns and half-sovereigns of the weights last above described shall pass and be received as current and lawful money of the United Kingdom of Great Britain and Ireland, every such sovereign as of the value of twenty shillings, and every such half-sovereign as of the value of ten shillings, in all payments whatsoever.

Given at our Court at Buckingham Palace, this third day of June, in the year of Our Lord one thousand eight hundred and forty-two, and in the fifth year of Our reign.

God save the Queen.

NOTICE issued by the BANK, following upon the fore-going Proclamation.

[The BANK will take in Light Gold Coin at £3 17*s.* 10½*d.* per ounce.]

BANK OF ENGLAND,
9th June, 1842.

At the request of the Right Honorable the Lords Commissioners of Her Majesty's Treasury, and for the relief of those who have in their possession the gold coin of this kingdom below the legal current weight :—

Notice is hereby given that, from and after this day, any quantity of such gold coin, in amounts of not less than £50, will be taken in at the Bullion Office of the Bank of England at £3 17*s.* 10½*d.* per ounce, from the hours of 9 in the morning to 3 in the afternoon, until further notice.

Copy of PROCLAMATION, dated 2nd October, 1843.

[Nearly similar in terms to that of June, 1842.]

By the Queen.

A PROCLAMATION.

VICTORIA R.

WHEREAS it has been represented unto us that, although under our Proclamation of the third June, one thousand eight hundred and forty-two, a large amount of the gold coin of this realm, deficient in weight, has been withdrawn from circulation, yet there is much of the gold coin of this realm, deficient in weight, still in circulation, contrary to the tenor of our Proclamation aforesaid, and of two Proclamations issued, one by His late Royal Highness George Prince Regent, in the name and on the behalf of His late Majesty King George the Third, bearing date the first of July, one thousand eight hundred and seventeen, and the other issued by His late Majesty King George the Fourth, bearing date the sixth of February, one thousand eight hundred and twenty-one ; and there being reason to believe that sufficient attention is not paid to the weighing of the said gold coin, and the directions given in the Acts of Parliament now in force with respect to the cutting, breaking, or defacing such pieces thereof as are found to be of less weight than those declared by the last of the aforesaid Proclamations to be current, and to pass and be received in payment; we do by this our Royal Proclamation declare and command, that, from and after the date hereof, every gold sovereign of less weight than five pennyweights two grains and a half, and every gold half-sovereign of less weight than two pennyweights thirteen grains and one-eighth, be not allowed to be current or pass in any payment whatsoever ; and we do hereby strictly require and command all our loving subjects, and particularly all the officers, collectors, and receivers of our revenues, strictly to conform to the orders hereby given, and to the directions and regulations enacted and established

in the several Acts of Parliament now in force, and from and after the first day of January next to cut, break, and deface such pieces of the said gold coin as shall be found deficient in weight; and we do hereby further ordain, declare, and command that the said gold sovereigns and half-sovereigns of the weights last above described shall pass and be received as current and lawful money of the United Kingdom of Great Britain and Ireland, every such sovereign as of the value of twenty shillings, and every such half-sovereign as of the value of ten shillings, in all payments whatsoever.

Given at Our Court at Windsor this second day of October, in the year of Our Lord one thousand eight hundred and forty-three, and in the seventh year of Our reign.

God save the Queen.

NOTICE issued by the BANK, following upon the foregoing Proclamation.

[The BANK will continue, till 1st January, 1843, to receive Light Gold Coin at £3 17*s*. 10½*d*. per ounce.]

The Governor and Company of the Bank of England do hereby give notice,—

That, in obedience to Her Majesty's Proclamation, dated 2nd October last, they will, from and after the 1st January next, cut, break, and deface such gold coin below the legal current weight as may from time to time be tendered to them. And further that, in pursuance of directions from the Lords Commissioners of Her Majesty's Treasury, they will, up to the above-mentioned period, (viz. 1st January), continue to receive on account of the Government, at the price of £3 17*s*. 10½*d*. per ounce, gold coin below the legal current weight.

BANK OF ENGLAND,
30*th November*, 1843.

NOTICE issued by the BANK, dated 14th December, 1843.

[Light Gold Coin will be received, after the 1st January, 1844, at only £3 17*s*. 6½*d*. per ounce.]

The Governor and Company of the Bank of England do hereby give notice that, on and after the 2nd January next, they will receive gold coin below the legal current weight, in amounts of not less than £5, at the rate of £3 17*s*. 6½*d*. per ounce; and further, that, at the respective branches of the Bank of England, it will be received, in like amounts, at the rate of £3 17*s*. 5*d*. per ounce, being, after deducting the charges of transmission to London, equal to the above price of £3 17*s*. 6½*d*. per ounce.

BANK OF ENGLAND,
December 14, 1843.

N.B.—The above, after deducting the expenses of converting the light gold coin into bullion, will be equal to the price paid by the Bank for bar gold, viz., £3 17*s*. 9*d*. per ounce standard.

Discussion on Mr. Palgrave's Paper.

The Chairman (Mr. R. B. Martin): We are all very much indebted to Mr. Palgrave for his interesting paper, suggesting as it does many points which I hope will be dealt with not only from a theoretical but also from a practical point of view, by those whose every day experience has enabled them to gather many facts and details which throw light upon the subject. Mr. Palgrave has alluded to the paper on this subject read on a former occasion by Mr. John Martin, who, he said, had conducted his investigation in a careful and thorough manner, and I may say that few can have any idea of the enormous mass of detail that was investigated by him. I do not think that Mr. Palgrave need be surprised at the difference of Mr. Jevons' estimate of the amount of light gold and that of Mr. Martin. There was an interval of 14 years between the two enquiries and during these years the heavy coins were being exported or paid into the Bank of England while the light coins were studiously kept in circulation, and thus I have no doubt the proportion of light to heavy coinage is increasing, and from 55 per cent., its present amount, it will steadily increase until it reaches a point which will compel immediate action. The amount of English sovereigns circulating in different parts of the world is I should say a great deal larger than is generally supposed. According to Mr. Fremantle's calculation it would take about seven years to recoin the £55,000,000 of light gold at present in circulation. With regard to the proposal of paying in light coin in bags of £50, I should have thought this amount too small, that it might have been extended to much larger sums, even to £500 or £1,000, thus tending to equalize weights and to keep the payments in the hands of responsible agents. Mr. Palgrave states in his paper that in France the government is responsible. I should be glad to know whether that is a question of law or an ascertained fact.

Mr. Palgrave: The government is not legally responsible, but there is no doubt that public opinion would make them responsible, and the same is the case in Belgium.

Mr. R. B. Martin: I do not quite understand Mr. Palgrave in his estimate of the loss which the banks would have to bear on their stock of till money, for I think it is practically certain that all the gold in the country would go through the tills of the banks. If the loss is to be borne by the last holder we should have to bear the whole loss, and this would retard the process of re-coinage very considerably as no bank would pay in any coin which it was able to circulate. That it a very curious paragraph and deserving of all attention, viz., the proportion of light sovereigns in different parts of the country, and in which the eastern counties appear to head the list and London to stand very low down. That is a point to which our attention has been called before, and is one which shows how very unfairly any re-adjustment of the coinage would fall upon the country unless it were made purely and entirely a government undertaking.

Mr. J. B. Martin: It is hardly for me to praise Mr. Palgrave's paper, in which he has spoken of me in such flattering terms, for were I to do so, it might appear as though I were turning this Institute into a Mutual Admiration Society. But this at least I may say, that there is no subject which may more properly be brought before us than the one Mr. Palgrave has discussed to-night. Since our Institute was established we have had some most valuable papers —archæological and historical papers—which have been interesting as tracing the steps by which banking has reached its present position. We have had papers of a theoretical nature, from which we have learned the laws by which banking has been developed in the past, and to which it must be subject in the present and future. But our Institute is not a mere academical body. If we are to establish and maintain the position which we claim, it is our duty to be ahead of public opinion and to guide legislation in matters of practical importance. I take it that we claim to represent the whole banking community, and not only so, but also that great public who carry on business by our means, and I think there is no practical matter that now presses more on the banking community than that of our gold coinage. I say that this is a question that affects not only the bankers, but the whole public. Speaking for myself and my own business, this deficiency in weight of the gold coinage is one that affects me comparatively little. I am not in the same position as some of my brethren in Lombard-street and elsewhere in the City. We suffer from a plethora of coin in a comparatively small degree. But when you consider that the interest for a week on £10,000, at 2½ per cent., which is all that the present Bank-rate allows us to get for call money, is £4 15*s.* 10*d.*, or to make a still more easy calculation, that £10,000 at 3 per cent. is £300 a year, you will see that a comparatively slight lock-up of gold coin is a sensible burden on the banker. There are also the great provincial banks, having their head-quarters in London or in our large cities, who similarly suffer. Then there are the Scotch and Irish banks; and I wish particularly to include the Scotch and Irish banks, because an hon. member of the House of Commons, whose opinions on currency matters I have myself heard our estimable president criticise in the House of Commons with some severity—the hon. member for Glasgow, Mr. Anderson—has stated in the public press that Scotland and Ireland, having obtained that superior civilization which in his opinion is betokened by the possession of the £1 note, have no part in the gold coinage, and would protest against being called upon to pay part of the bill in the case of a re-coinage. Now I venture to say, in the presence I hope of many members representing the Scotch and Irish Banks, that I consider that opinion to be entirely and fundamentally fallacious; and I say that the Scotch and Irish do depend on the English gold coinage. It is perfectly true that the great commercial development of Scotland has been stimulated by her system of banking, and that that system of

banking has been materially developed by £1 notes; but are the great commercial operations of Scotland carried on entirely by these notes. When a great ship is built on the Clyde for one of our English Steamship Companies, is that ship paid for in £1 notes? When Glasgow sends a cargo of coal or anything else to the uttermost parts of the world is it not probably stipulated that it shall be returned directly or indirectly in bills drawn on London? But Scotland does absolutely use the gold coinage. If not, what is the meaning of that periodical migration of gold to the north twice a year, and its periodical return? a migration which, in my opinion is a clumsy contrivance, of no protection to anybody, and one which might just as well be provided for by some other means. It is quite true that in Scotland sovereigns are comparatively scarce. When I made that inquiry to which Mr. Palgrave has so flatteringly alluded, I was informed by English bankers that they held, in some cases, from five to six or eight or ten sovereigns to one half-sovereign; but one Scotch banker of whom I inquired told me he had only one sovereign in his possession, and all my Scotch correspondents told me that the proportion of half-sovereigns to sovereigns was exactly the reverse of the case here—it was six or eight or ten half-sovereigns to one sovereign. Is it not known at the Bank of England, as it certainly is by agents of the great Scotch banks, that half-sovereigns are constantly being sent down, and that they never come back? If they have no interest in our gold coinage, let them at least give us back our half-sovereigns, bad as they are, before they claim to be exempt from the cost of restoring the coinage. I believe there are very few ships that sail from our ports that do not take a certain number of coins out in them; and I believe I am justified in saying that in Scotland it is found very convenient to send light coin out of the country in those ships. The Scotch bankers certainly get an advantage in that way. The same thing applies to Ireland. We must all regret that that country does not enjoy the same commercial prosperity as Scotland. But it uses gold in many minor ways in matters of daily life. I was informed that anything like a political or social outburst in that country is always preluded by a decided demand for gold from the banks; and again, when emigrants leave Ireland, it is estimated they carry to New York or elsewhere not less than \$20 = £4 a head in gold. When young persons get married in Ireland, which they are specially apt to do just before Lent, it is the experience of the banks that there is a demand for gold; so that in all parts of the Kingdom there is a use of gold. I submit, therefore, that in respect of the gold coinage England, Scotland and Ireland are in the same position and equally interested: we are all rowing in the same boat. Mr. Palgrave has stated that the cost of a re-coinage, as based on my figures, would be £780,000, and he confesses himself unable to explain the rapid deterioration that has taken place in the last fifteen years. But I am glad to find

he does not question the fact; and I venture to predict that in another 10 years the cost of re-coinage will be near a million. It is a case similar to that of the Sybilline Books, about which we used to read in our first Latin history; nine volumes were offered, and a price was asked and refused; the second time six books only were brought and double the price was asked; finally, three books were brought and treble the price had to be paid, while the wisdom contained in the other six books was lost for ever. So our gold coinage is getting worse and worse in increasing proportion, and must do so until it becomes imperatively necessary to take it in hand. I think it is our opinion that that time has already arrived, and I hope the weight of the Bankers' Institute may be put in the scale, in order to make it felt by the authorities that the time has now come for the operation to be undertaken. The only question is—By whom should the cost be defrayed? I think we as bankers may say, at once, that it must not be borne by ourselves. I believe, though I have no certain information, that there is a plan hatching by which some present expense would be laid on the bankers with the view of releasing them in the future. I do not consider any such a plan expedient or just; after being black-mailed for so many years, we should not suffer further loss in order to be relieved of future annoyance. If we are left to enforce the provisions of the present coinage Act, those evils will recur, which Mr. Palgrave has mentioned in words to which I do not wish to add anything. The only remedy is that it should be undertaken by the State. A cost of £780,000 ought not to deter the nation from this. It is only equivalent to an additional halfpenny income tax for a year, and unjust as the income tax is, I would willingly submit to a halfpenny more for that object. If the loss prove less than £780,000, so much the better, then it is a less serious operation. If the loss is more, then surely that is a reason why there should be no further delay in undertaking the matter. It must be done at some time, and the sooner it is done the better. The only question remains—How can it be best brought before the authorities? I do not know if I am in order in suggesting of my own mere motion that this question should be referred to a sub-committee of our Council, with the view of carefully considering what steps are practicable—after examination of witnesses or in other ways, and embodying that opinion as the opinion of the Institute of Bankers in some shape that would carry due weight with the Treasury.

I will merely add one or two little points which have occurred to me in the course of my brother's remarks and on reading the paper. First, as to the question of the good condition of the Australian gold. Now you will see the Australian mints have been going only for a comparatively short time. Assuming all the Australian gold to be in existence, only about £10,000,000 of the whole of the Australian coinage, which amounts to £63,000,000,

would be presumably light. Then with regard to the resources of the mint: the mint is now in a position of the utmost efficiency. In 1872 when the resources of the mint were comparatively inadequate, the Australian and English mints together turned out £18,000,000 of gold coin, of which £15,000,000 was coined on Tower Hill, and I have no doubt the mint is now fully equal to any strain that can be thrown upon it as a mere mechanical operation. There is also another little point I may be allowed to mention, and that is that a gentleman, a brother banker, who has been this winter at Cannes, told me that there is a decided preference there for the new dragon sovereign, so that you will see there is an impression abroad that our coin is getting worse; and we must carefully avoid getting it into a condition under which it would pass with any diminished currency all over the world. That is essential. I would merely add with reference to Mr. Palgrave's inquiry how the coin can have got into this deteriorated condition in 15 years, the following suggestions for whatever they may be worth. In 1844, when the last re-coinage was effected and when we had only £17,000,000 of presumably light gold, £14,000,000 we know were called in, so that there could not have been very much light gold left. In 1844 the population of the United Kingdom and Ireland was 27,000,000; it is now 35,000,000. In 1851 there was one bank to every 15,500 inhabitants; there is now one bank to every 9,000 inhabitants. In 1844 there was an average total bank-note circulation in the whole United Kingdom and Ireland of £37,000,000. In 1880 it was £44,000,000, and I think that shows that the extraordinary increase of banking facilities as well as a general rise in wages has promoted a more rapid circulation of the coin. Formerly, when a small tradesman had no banking account, he kept his sovereigns in a strong box, now he sends them to his banker, and they literally change hands more rapidly, and that is one reason why in 15 years the gold coin has got perceptibly worse, besides being subject to Gresham's law that the worse coin will always drive out the better.

Mr. Frederick Hendriks: I have had much pleasure in attending here this evening to listen to and profit by the excellent practical suggestions contained in Mr. Palgrave's paper, rather than with any view of offering other suggestions by which it might be practicable to prevent in future the growth of the defective condition of the gold coinage. I would, however, wish to remark, that accepting Mr. Palgrave's statement of a deficiency of £786,500, in the one hundred millions of active circulation at this date, something must be added to his estimate, for the actual mint cost of re-coinage, which amounts to not far short of one-third of a penny for each sovereign that is struck, this alone would require a sum of about £129,000. Possibly on a re-coinage upon so large a scale, some economy might be effected. Perhaps 10 per cent. on the nominal value of coin re-struck might suffice. With all deference to the

Chairman's opinion that the Mint would require something like ten years for the re-coinage, I think he under-estimates the present powers of its machinery. These have very recently been thoroughly improved, and, I imagine, they would if required, be fully equal to carrying out the whole operation in from two to three years' time. I notice that Mr. Palgrave has not referred, in his remarks upon the duty of the State to bear the whole expense of re-coinage of its standard money, to the important precedent, entirely in favour of that view of the case, which occurred in the great re-coinage at the end of the seventeenth century. It may be said, perhaps, that so old a precedent is a little musty, as ideas of political economy in such matters have largely changed since then. Still, it is not unimportant to notice that historical precedent is in favour of the contention, so ably supported both by Mr. Martin and Mr. Palgrave, that the State itself, and not the individual last holder of a light coin, ought to bear the loss attendant upon its restoration to legal-tender weight. It cost the State, in 1696, something above £1,200,000 to restore full weight to the worn standard coin of this country, and, taking the comparative value of money, the real burden borne by the State at that date in taking upon itself the charge of the re-coinage, was some six or seven times more onerous than what we are now demanding of it at the present day.

Mr. HARVEY: I have to express my deep obligation to Mr. Palgrave who has so ably completed the work which Mr. Jevons and Mr. Martin have commenced as to this question. All that I can do would be to accentuate one or two points of this most serious question. A detailed criticism of the paper, it appears to me, would be rather out of place. I fear, however, it will be found that the heavy half-sovereigns in circulation do not amount to £9,000,000. It seems to me that day by day the strain of the gold circulation tells more and more upon the half-sovereign, and, for reasons that Mr. Martin has mentioned in his remarks, they are getting worse and worse at a terribly accelerating ratio. There was, indeed, one thing I should have hoped would have tended somewhat to modify the accelerated rate at which these coins are being deteriorated, and that is the steady growth of country cheques and the extremely small amount for which such cheques are now drawn. One would have thought that would have tended to diminish the wear and tear upon the gold coin in the country districts, but it does not appear to have done so. However that may be, I think the solution of the accelerated rate at which this depreciation is going on is to be found in Mr. Martin's remark, that in reality now the number of operations that an individual coin goes through is considerably increased. The truth is, the worse a coin is the more a man wants to get rid of it, and the more he systematically puts it back into circulation. Moreover, artisans, little by little are being more and more paid in gold, especially in half sovereigns, so that in reality it appears to me we have

to face the most grave and serious accelerated rate of depreciation in the gold coinage. I observe in Mr. Lowe's speech in 1870, when he introduced the principle of re-coinage, he put the loss by light gold at £400,000. We have now gone on for years till it has reached £785,000, and if the matter be not soon dealt with the loss will reach a million sterling. Mr. Martin has said that that £785,000 is only ½*d.* income tax. I confess I heard that remark with a feeling of horror, because I know enough of the English Treasury to realise the attitude they would naturally take towards a demand of such a magnitude. I cannot but think that as bankers we have really deprived ourselves of one most important mode of operating upon the English exchequer in this matter. There can be no question whatever that the only way to get a vote for anything like £785,000, whether it be for one year or spread over a number of years, is to prove the existence of a very great and very emphatic public demand for it. Now, the bankers have, to a great extent, cut the ground from under that public demand by their action in themselves bearing the loss on light gold. If there were more instances of people refusing light coin there would be a great stir in the country, and you might very soon move the English Treasury. One knows the feeling with which a man goes to the *London Gazette* office—the feeling with which the sovereign is thrown back at him. It is not merely a sudden recollection on your part of your duty under an Act of Parliament. It is a definite sense of grievance and of actual wrong done you. You may have received the coin from one Government department and had it actually thrown back at you from another Government department because it is light. If we could get up a little more of that grievance we might get a motive-power to move the English Treasury. Otherwise, I fear, we shall need a persistent and a very wisely-directed agitation in the matter. I was sorry Mr. Palgrave did not think fit to touch upon the question of seignorage. It is a very thorny one, but it is important, because even if we can get the coinage put right now, we are still following a system which is hardly worthy a great nation, viz., that of every few years having a cataclysm in the circulation, permitting it for years to deteriorate, and then by a special effort putting it right. The aim should be, to get some mode by which, systematically and regularly, gold coin below a certain rate of depreciation should be called in, and the currency, therefore, could be automatically kept good. It appears to me, that whatever might be the difficulty of seignorage, it would only be in some such mode you could put the coinage right, and keep it right when put so.

Mr. Martin Wood: I should like to ask about a remark that occurs in the quotation from Professor Jevons to the effect that some sovereigns are coined heavier than others. Does not this imply that the work of the mint is less perfect than it should be? Other speakers have referred to the great improvements recently carried out

in that institution, so that its appliances may now be sufficiently scientific to coin sovereigns exactly the same weight or within an infinitesimal fraction. Then a query arose in my mind as to how far the mint would be equal to the serious task of re-coinage in addition to its regular work. But that, perhaps, has been answered by Mr. Martin and other speakers who seem well assured that the mint is now equal to anything that can be expected of it. I am not able to speak of these matters from a technical point of view, but when comparing, a few years ago, the out-turn of the Royal mint with the enormous operations of the mint at Bombay, it was very evident that the Royal mint was far behind the requirements of the time, but if, as has been stated, its appliances and capacities have been brought up to date, the operations of re-coinage can, no doubt, be carried through. I cannot help recalling the last occasion when I had the privilege of hearing the proceedings of the Institute, which was when a paper was read by Mr. W. Fowler, advocating the adoption of £1 notes. I certainly think that the gravity of this question of re-coinage, the waste by wear and tear, and not only the cost, but the difficulties and perplexities so forcibly indicated in Mr. Palgrave's paper, have established a practical argument in support of Mr. Fowler's proposal. Mr. Palgrave's paper and the remarks following it have very forcibly brought into view the difficulty and burden caused by a too exclusive dependence on gold coinage.

Mr. Palgrave, in reply: If I may take almost the last speaker first, I may say, in reply to Mr. Harvey, that if I had gone thoroughly into the question of seignorage, my paper would have had to be extended to at least twice the extent it now reaches, because that part of the subject is as difficult, at least, as the one we have examined. With respect to the remark about careful weighing, and whether it is desirable to do it or not, if it were undertaken there should be a universal agreement among banks on the point, because if some do it, and some do not, much difficulty would follow, as those who undertook it would soon find. I may say it would be impossible to continue it without such an agreement, because of the inconvenience it would cause to our customers. If it is done at all it must be done all round. I agree with Mr. Harvey that cheques on country banks are drawn for very small amounts. It is astonishing to see what small cheques people will draw, but I do not think that such small cheques operate much to diminish the gold circulation. I have hardly ever seen servants' wages paid in cheques; and though cheques drawn for small amounts increase, they only, to a very slight extent, take the place of gold in the ordinary transactions of life. The rate of coinage at the Mint has been mentioned, and it has been thought the operation might be done in a shorter time than I have mentioned. I think that it might take from four to five years. There is no doubt if the whole power of the Mint were put upon the gold coinage the operation might be put through in a shorter

time, but there are always demands made upon the Mint for silver coinage and other operations. I was told the other day that there was a great deficiency of silver coinage, and therefore the coinage of silver may have to be carried on at the same time as the coinage of gold. Therefore, you must not reckon merely the absolute working power of the Mint as so many coins a day, but you must consider what the other calls upon the resources of the Mint are likely to be. Mr. R. Martin thought that the minimum parcel of 50 sovereigns would be too small. My reason for proposing this was that that sum would enable any banker to take a small parcel of gold, say 50 sovereigns, and if he thought it unduly light, seal it up and send it to the bank, so that the person bringing it might be charged with the deficiency. I have no idea that the whole of the operation should be conducted in such small parcels as that. In regard to Mr. J. Martin's remarks I fully agree that the time has now come when some definite operation should be undertaken, and that it would be very desirable that a strong recommendation that the matter should be looked into by the Government should come from this Institute. I did not, however, put that suggestion in the paper, because I preferred that it should proceed from the Institute itself, and I am pleased, therefore, that it goes to the Government supported by your hearty approval.

Mr. J. HERBERT TRITTON: I am sure it will be your wish to accord Mr. Palgrave a hearty vote of thanks for the paper. I should like to put on record the resolution at which Mr. J. B. Martin hinted though he did not actually move it. The motion would be something of this sort, "That the whole question of the gold coinage be referred to the Council with a request that in conjunction with such other gentlemen, specially conversant with it, as they may call in, they should consider the best means of bringing it prominently forward."

This was seconded, and carried unanimously.

BANKRUPTCY BILL.

RETURN to an Order of the Honourable The House of Commons, dated 8 March, 1883;—*for*,

COPY "of MEMORANDUM showing the General Effect of the Changes in the LAW proposed by the BILL."

THE principal changes proposed to be effected by this Bill may be summarised as follows:—

Initiation of Proceedings.

All proceedings under the bankruptcy law are to be commenced by a bankruptcy petition, leading up to an order of the court, to be called a receiving order, which shall have one of two results, either composition or arrangement on the one hand, or bankruptcy on the other. Liquidation, and composition otherwise than under a petition and with the approval of the court, are abolished.

A bankruptcy petition may be presented either by a creditor or by the debtor (Clause 5).

The amount of debt sufficient to ground a creditor's petition remains as in the Act of 1869 at £50, but a debt payable at some certain future time gives a *locus standi* as petitioner (Clause 6).

Execution for any amount and failure after three days' notice to pay a judgment debt are acts of bankruptcy (Clause 4 (1 *d*, *f*)). The distinction between traders and non-traders in relation to acts of bankruptcy, and as far as possible in other matters, is abolished.

Bankruptcy proceedings by debtor's summons are abolished, and are superseded by the provisions mentioned above for service of a bankruptcy notice on failure to pay a judgment debt (Clause 4 (1 *f*)).

An official receiver may be appointed to be receiver of the debtor's property at any time after the presentation of a creditor's petition. Any court in which proceedings are pending against the debtor may stay the proceedings on proof of presentation of a bankruptcy petition (Clause 10).

Receiving Order.

The first result of a bankruptcy petition, properly substantiated, will be the making of a receiving order by the court. The effect of a receiving order will be to constitute the registrar, or other officer of the court appointed to act as official receiver, receiver of the debtor's property, and to stay proceedings by unsecured creditors. The order will not, as in the case of an adjudication order, make the debtor a bankrupt or divest him of his property, or subject him to the forfeitures and disabilities contingent on bankruptcy (Clauses 5, 7, 8, and 9).

Proceedings after Receiving Order.

The official receiver, for whose appointment provision is made by clause 61, may, on the application of creditors, appoint a special manager of the debtor's business, or, if he declines, the court may appoint one (Clause 11).

If no such appointment is made the official receiver acts as manager (Clause 64).

The debtor is to give the official receiver full information as to his affairs and failure, and in particular is to make out at once a statement of his assets and liabilities (Clause 14).

First Meeting, Proofs, Votes, Proxies.

The first meeting of creditors, after the making of a receiving order, is to be held for the purpose of considering whether a composition or scheme of arrangement shall be entertained, or whether the debtor shall be adjudged bankrupt, and in the latter case the creditors may at once appoint a trustee (Clauses 13, 18).

The meeting is to be summoned by the official receiver, to be held within 14 days of the receiving order, unless a later date is for any special reason allowed, and at least seven days' notice must be given by advertisement. The official receiver is also to send notice to each creditor, together with a summary of the debtor's statement and the receiver's observation thereon (Schedule I., Rule 1—3).

Proofs are to be lodged 24 hours before the time appointed for the meeting (Schedule I., Rule 9). Creditors who have proved may examine proofs of other creditors (Schedule II., Rule 7). A partially secured creditor may amend his proof for the unsecured portion of his debt (Schedule II., Rules 16, 17).

The voting rights of bill holders are limited (Schedule I., Rule 12).

Proxies are to be on an official form, and must be filled up in the hand-writing of the person giving the proxy. A creditor may only give a general proxy to a person in his regular employment or to the official receiver. All proxies must be deposited with the official receiver or trustee at least 24 hours before the meeting (Schedule I., Rules 15—20).

Public Examination of Debtor.

Every debtor against whom a receiving order is made is to be publicly examined in court as to his conduct, dealings, and property; the official receiver is to take such part in the examination as the Board of Trade direct; the creditors may also put questions, and the debtor is to be bound to answer all questions which may be properly put to him (Clause 15).

Composition or Scheme of Arrangement.

At the first meeting the creditors may resolve by special resolution to entertain a proposal for a composition or scheme of arrangement.

For the acceptance of a composition or arrangement there must be a preliminary resolution by a majority in number and three-fourths in value, and a subsequent confirming resolution by the same majority, which must not be passed until the debtor's public examination is concluded, nor until there has been circulated among the creditors a notice stating the terms of the proposal, and a report of the official receiver thereon (Clause 16 (1–3)).

When a composition or scheme of arrangement has been accepted the court may approve it after hearing a report of the official receiver, but may withhold its approval if the proposal does not appear to be reasonable or calculated to benefit the general body of creditors, or if the debtor has been guilty of any such misconduct as would justify the court in withholding, suspending, or qualifying his discharge. If the composition or scheme does not provide for the payment of 5*s.* in the pound, the court shall not approve it unless the insolvency has been caused by misfortune without misconduct (Clause 16 (57)).

Any trustee appointed under a composition or scheme is to be subject to all the regulations applicable to a trustee in bankruptcy (Clause 16 (14)).

Adjudication of Bankruptcy.

If a composition or scheme is not accepted and approved, or if the creditors pass a resolution in favour of adjudication, the court will adjudge the debtor bankrupt, and the property of the bankrupt then becomes divisible amongst his creditors and vests in a trustee (Clause 17).

Appointment of Trustee.

Where a debtor is adjudged bankrupt, or the creditors have resolved in favour of adjudication, they may appoint a trustee (Clause 18 (1)). The trustee must give security to the satisfaction of the Board of Trade, and the Board may object to his appointment on the ground that it has not been made in good faith by a majority in

value of the creditors, or that he is unfit to act, or that he is not likely to act in the interests of the creditors generally, with an ultimate appeal to the High Court. The certificate of appointment is to be given by the Board of Trade (Clause 18 (2) (3)).

The creditors may appoint the official receiver to be trustee, or if they fail to appoint a trustee within four weeks from the date of the receiving order, or within a longer period if negotiations for composition or arrangement are pending, the Board of Trade may appoint the official receiver of the estate or some other official receiver to be the trustee, subject to the right of the creditors to appoint a trustee at any subsequent time (Clause 18 (5-7)).

During any vacancy the official receiver acts as trustee (Clause 64 (1 f.)).

On the appointment of a trustee the duties of the official receiver connected with the management of the property cease, or are suspended, but he continues to watch the case, and to act, if necessary, in the interests of justice (*see* Clauses 62-64, 74, &c.).

Committee of Inspection.

A committee of inspection may be nominated by the creditors qualified to vote at their first or any subsequent meeting, and must consist of creditors qualified to vote, not more than five nor less than three in number (Clause 19 (1)). If a committee is not appointed, or if there are not sufficient creditors qualified and willing to act, the Board of Trade will direct the trustee in the matters in which he is required to have the permission of the committee of inspection Clause 19 (9)).

Composition or Scheme after Adjudication.

The creditors may at any time after adjudication resolve by special resolution to entertain a composition or scheme, whereupon the same proceedings ensue as in case of composition or scheme before adjudication. If default is made in carrying out the composition the bankruptcy may be revived (Clause 20).

A composition after adjudication may not, as under the existing law, be made the means of annulling the bankruptcy (*vide infra* as to conditions of annulment).

Discharge of Bankrupt.

At any time after being adjudged bankrupt the bankrupt may apply to the court for an order of discharge, but the application is not to be heard until the public examination of the bankrupt is concluded. Notice of the day fixed for the hearing is to be published and sent to the creditors. On the hearing of the application the

court is to take into consideration the report of the official receiver as to the bankrupt's conduct and affairs, and may either grant the order unconditionally, or, on proof of certain acts of misconduct by the bankrupt, refuse or suspend it, or qualify it by conditions as to after-acquired property (Clause 25). These proposals are substantially identical with those contained in the Bill of the late Attorney-General (Sir John Holker).

The provisions of the existing Act (Section 54) under which an undischarged bankrupt is protected for three years from the close of his bankruptcy are not reproduced, and provision is made for enabling the court to make an order under which a bankrupt's after-acquired property may be recovered and applied for the benefit of his creditors (Clause 25 (6)). An undischarged bankrupt who obtains goods or credit from any person to the extent of £20 or upwards, without informing such person of his status, is to be held guilty of a misdemeanor under the Debtor's Act (Clause 27).

Civil Disabilities of Bankrupt.

The position of a bankrupt Peer is assimilated to that of a Member of the House of Commons, by making mere discharge insufficient to rehabilitate him (Clause 28).

Adjudication is also made a disqualification for election to the House of Commons, and not only for holding, but for appointment or election to the offices of justice of the peace, mayor, alderman, councillor, guardian of the poor, member of sanitary authority, school board, highway board, burial board, or select vestry. In all cases disqualification continues until it is removed by the annulment of the bankruptcy, or by the discharge of the bankrupt with a certificate that the bankruptcy was caused exclusively by misfortune (Clause 28).

Punishment of Fraudulent Debtors.

The court may commit a bankrupt for trial when it has reason to believe that he has been guilty of a misdemeanor under the Bankruptcy Acts, and the Public Prosecutor is to carry on the prosecution (Clauses 154, 155).

Discharge or composition is to be no defence against a criminal prosecution (Clause 156).

Annulling of Bankruptcy.

The court may annul a bankruptcy where it is of opinion that the debtor ought not to have been adjudged bankrupt, or on proof that the debts of the bankrupt are paid in full (Clause 31).

Distribution of Property.

The first dividend must, except under special circumstances, be declared within four months from the conclusion of the first meeting of creditors, and subsequent dividends at intervals of not more than six months (Clause 53).

Before declaration of the final dividend, notice is to be given to persons claiming to be creditors, but who had hitherto failed to establish their claims (Clause 57).

The committee, instead of the general creditors, are to authorise any allowance to the bankrupt, and power is given to the court to reduce or make such an allowance (Clause 59 (2)).

Administrative Staff.

The Board of Trade are to appoint such registrars of county courts not having bankruptcy jurisdiction, high bailiffs, or other persons, as they think fit, to be official receivers of debtors' estates. These receivers are to be attached to each court of bankruptcy, and will be officers of the court, but will act under the general authority of the Board of Trade (Clause 61).

Their functions include some acts which are done by the registrars under the existing system. The principle of the proposed change is to separate judicial and administrative functions, and to commit the superintendence of the latter to officers acting under a responsible Department of State.

The duties of an official receiver, which are detailed in Clauses 62-64, bear relation both to the conduct of the debtor and to the administration of his estate, and are generally—

(*a*) To protect the interests of the general public by inquiring into, exposing, and providing for the punishment of fraudulent and reckless trading or culpable extravagance:

(*b*) To protect the interests of the creditors at an early stage of the proceedings by obtaining and giving them the information, without which they are helpless, and which experience shows they are unable to obtain for themselves:

(*c*) To act as interim receiver of the bankrupt's estate pending the appointment of a trustee, and as manager where no special manager is appointed.

He will also receive and examine proofs, and take such other formal proceedings as are required to be taken before the creditors are called together.

The Board of Trade are to have power to appoint such other officers as may be required for the execution of the Act (Clause 65).

The existing Controller in Bankruptcy and his staff are to act under the direction of the Board of Trade, and provision is made for the abolition or continuance, under modified conditions, of the office of any of the said persons on the occurrence of a vacancy (Clause 143).

The official receivers and other persons appointed by the Board of Trade will be paid out of public money, and the Exchequer will be recouped by means of fees and percentages (Clause 70, 120).

Regulations affecting Trustees in Bankruptcy.

The remuneration of the trustee (unless he be the official receiver) is to be fixed by creditors, and to be in the nature of a commission or percentage charged partly on the net amount realised and partly on the amount distributed in dividend. It is subject to confirmation by the Board of Trade if one-fourth in number or value of the creditors object. The resolution must express what expenses the vote is to cover, and where nothing is voted the taxing officer is to tax the trustee's bill (Clause 66).

A trustee or manager is not to be allowed payment in respect of the performance of duties by other persons which ought to be performed by himself. All bills of solicitors, auctioneers, &c., are to be taxed (Clause 67).

Except by special permission, the trustees must pay all money over £50 into the Bank of England to the credit of the Board of Trade, and all payments out will be made by order of the Board of Trade (Clause 68 (3, 5, 6)). But when the Board of Trade think it proper, they may allow the trustee to have an account with a local bank (Clause 68 (4)). When the general cash balance to the credit of bankrupts' estates is in excess of the requirements for bankruptcy purposes the surplus is to be invested, and the income of the investments is to be paid to the Exchequer for the purpose of meeting the expenditure out of public money in respect of bankruptcy proceedings (Clause 69).

Every trustee is to have his accounts audited not less than twice in each year by the Board of Trade. The accounts, when audited, are to be filed at the Board of Trade and at the Court, and are to be open to the inspection of the creditors (Clause 71).

Every trustee in a bankruptcy is not less than once a year during its continuance to transmit to the Board of Trade a statement of the proceedings in the bankruptcy. The Board of Trade is to examine the trustee's statement and his accounts, and to call the trustee to account for any misfeasance, &c. (Clause 73).

The trustee is not to be released, except after consideration by the Board of Trade of a report as to his accounts, and of any objections urged by any creditor or other interested person, against the proposed release (Clause 74).

A trustee vacates his office if a receiving order is made against him (Clause 77).

The creditors may remove their trustee by ordinary, and not, as at present, by special resolution (Clause 78 (1)). The Board of Trade

may remove a trustee for misconduct, subject to appeal to the High Court (Clause 78 (2)).

If the creditors fail to fill a vacancy in the office of trustee within three weeks, the Board of Trade may appoint an official receiver to be trustee, subject to the right of the creditors to appoint a trustee of their own subsequently (Clause 79).

Restrictions are placed on the voting powers of the trustee and his partners and agents in questions affecting his remuneration and conduct (Clause 80).

Judicial Staff.

The London Court of Bankruptcy is to be merged in the High Court of Justice, but bankrupt proceedings are to preserve their distinctive name, and are to be transacted by or under the direction of a judge specially assigned for the purpose (Clauses 85, 86).

There is to be power to transfer proceedings from one court to another court, and also to transfer any question of law for trial from a local court to the High Court (Clause 89).

The powers and jurisdiction to be exercised by registrars are defined by the Bill, and, speaking broadly, are to be confined to urgent applications and uncontested matters (Clause 91). But the exercise of these powers is to be subject to the further qualification that any person interested is to be entitled to have any question of law or involving the exercise of judicial discretion decided by the judge himself, but power is given to the registrar to make an interim order (Clause 91 (4)).

The jurisdiction and powers in relation to debtor's summons under Section 5 of the Debtors Act, 1869, now vested in the High Court, may be assigned to the bankruptcy judge, and to registrars in bankruptcy in the High Court (Clause 95).

An appeal is to lie alike from the High Court to the Court of Appeal, and from a local court to the Court of Appeal. The Court of Appeal may give leave to appeal from their own decision to the House of Lords (Clause 96).

Small Bankruptcies.

In the case of small bankruptcies, *i.e.*, where the assets are expected to be under £300, a more summary procedure is adopted. In these cases the official receiver will act as trustee, unless the creditors specially resolve to appoint a trustee of their own, and will proceed to get in the assets and wind up the estate as quickly as possible (Clause 113).

Where a debtor is unable to pay forthwith a county court judgment debt, and alleges that he has other debts amounting in the whole to a sum not exceeding £50, the court may make an order for the

administration of his estate or earnings, and for the payment of his debts, in part or wholly, by instalments or otherwise. The order of the court will protect the debtor from proceedings by his scheduled creditors (Clause 114).

Miscellaneous.

Provision is to be made, as under the Scotch law, for the administration in bankruptcy of the estate of a deceased person, but where an order for the administration of the deceased person's estate otherwise than in bankruptcy has previously been taken out, the proceedings may only be transferred to bankruptcy with the consent of the court (Clause 117).

Provision is made for adjusting the conflict between the rights of execution creditors and of general creditors under a bankruptcy (Clauses 40, 41).

The evasion of the Bankruptcy Act by the device of seizing goods under a writ of elegit is put a stop to (Clause 137).

The priority given to Crown debts, to rates, and to rent, is not re-enacted.

The law as to undue preferences, and as to disclaimer of onerous property, is to be amended (Clauses 43, 50), and sundry proposals contained in the Bills of previous Sessions are adopted.

Board of Trade,
8 March 1883. *T. H. Farrer.*

The Institute of Bankers.

APRIL, 1883.

Sir JOHN LUBBOCK, Bart., M.P., President, in the Chair.

NOTES ON THE GOVERNMENT BANKRUPTCY BILL OF 1883.

By JOHN SMITH, ESQ., Fellow of the Institute.

[Read before the Bankers' Institute, Wednesday, March 21st, 1883.]

IN preparing, at the request of the Council, some notes on the subject of the new Government Bankruptcy Bill, I have not considered it necessary to enter upon any consideration of general principles. The discussions which have taken place on the subject within the last few years in this Institute, and among other public bodies throughout the country, have served to throw considerable light upon the defects of the present law, and to promote a tolerably unanimous agreement as to the main lines on which any amendment ought to proceed, whilst the various Bills which have been introduced into Parliament, although they can scarcely be said in any case to have been submitted to the crucial test of Parliamentary discussion, have at least helped to reduce into a concise form the proposals which have, from time to time, been put forward from various quarters for the amendment of the law.

It is just three years since this subject was first brought before the Institute, in a paper by Mr. Davison, and during that period many opportunities have been afforded for becoming acquainted with it, both through the action of the Council in encouraging its free discussion, and the indefatigable zeal of the Editor of the *Journal* and the Secretaries of the Institute, in gathering together every important contribution to its practical consideration, whether emanating from members of the Institute or from other bodies, such as the Country Bankers' Association, the Chambers of Commerce, the Incorporated Law Society, the Reports of the Comptroller, and other

sources. In addressing an audience of bankers, therefore, upon the subject, I think I may assume that the whole question is now a tolerably familiar one, and that I shall best consult your convenience by proceeding, without further preface, to note some of the more important features of the Government Bill.

In the first place, it is a matter for satisfaction that the Bill is a consolidating as well as an amending measure. It is not, I think, altogether to be regretted that some considerable time has elapsed in the discussion of this subject before it has actually been dealt with by Parliament. Public opinion in regard to it has been greatly matured during the last few years, points of difference among bankruptcy reformers have been removed or toned down, and time has been afforded for the preparation of a consolidating measure which embraces under one tolerably simple arrangement, the unrepealed portions of the Act of 1869, the leading Rules of Court, and the amendments which it is now proposed to introduce. I doubt if the Bill can yet be considered in any sense a final one, but it appears to me to be a considerable step in that direction. It may be that at some future day, if the measure is found to work satisfactorily, it may be possible to codify the law in a still simpler form, and to combine with it the results of all the legal decisions which have from time to time been given upon disputed points, and which the present bill does not profess to touch.

In considering the actual changes proposed to be effected in the law, I may remark at the outset that almost the whole of the suggestions which have been submitted by the Council for its amendment have been practically adopted in the Government Bill, and if any difference of opinion should arise amongst us as to the expediency of some of the clauses of the measure, I believe such difference will mainly arise from those additional features which the framers of the Bill have thought it desirable to introduce, rather than from any omission on their part to give effect to the recommendations of the Institute.

The chief feature of this measure, which distinguishes it from all previous Bankruptcy Acts, is unquestionably the introduction of the proposed system of *official supervision by the Board of Trade and its officers.*

We have already had occasion to consider this proposal in connection with Mr. Chamberlain's Bill of 1881, the provisions of which in this respect are with some modifications reproduced in the present bill. I am aware that considerable objection has been taken to this part of the scheme, and as it involves questions of great importance, which are dealt with in several clauses scattered throughout the bill, it may be well to take a general view of their scope and object before proceeding to discuss the details of the measure. The principal provisions relating to this subject may be classed as follows, viz. :—

FIRST.—*As regards the debtor.*—It is proposed that the Board of Trade acting through official receivers attached to the various Bankruptcy Courts in the kingdom shall, before any bankrupt obtains his discharge, examine into and report to the court upon his conduct and dealings, and shall take the direction of any proceedings which may be deemed necessary against fraudulent debtors (see sections 15, 25 and 63). I think it will be admitted that these are proper functions to be discharged by a department of the State in regard to the interests of creditors generally and of the public.

SECOND.—*Administrative duties.*—It is proposed that the official receivers shall act as trustees in all cases in which they may be so appointed by the creditors (Section 18 (5)), and in all cases of small bankruptcies where the assets are under £300, which are to be dealt with in a summary manner, unless the creditors decide by special resolution to appoint an independent trustee and deal with them under the ordinary provisions of the Act (Section 113).—To this portion of the scheme objection may naturally be taken by professional trustees, but seeing that these provisions are entirely optional, and are not likely to be resorted to unless the creditors themselves consider them advantageous, I cannot see that they are open to any reasonable objection. On the contrary I think that a system under which the creditors have the option of official or independent administration has many advantages. Its tendency will probably be to create a wholesome rivalry betwixt official and non-official administrators in the promotion of an economical, efficient and speedy administration of bankrupt estates, and creditors will soon find out under which system their interests are best attended to.

THIRD.—*Control over the administration of debtor's estates.*—Under this head it is proposed :—

(*a*). That every estate shall be at once placed under the control of the official receiver from the time of the making of a receiving order (or earlier if the court thinks proper), until the first meeting of creditors, which meeting he is to summon and preside over (see Sections, 9, 10, 11, 14, 64) These proposals, subject to the remarks which I have to offer hereafter, in regard to the appointment of a manager of the debtor's business (see below No. 6), appear to me to be of a most valuable character, and to remove one of the leading evils of the present system, by which a bankrupt estate is too often placed under the command of some nominee of the bankrupt himself.

(*b*.) That the official receiver shall report to the creditors and to the Court upon any composition or scheme of arrangement before it is approved by the Court (Section 16). This proposal, likewise, appears to me to be a valuable one, and to be entirely free from any legitimate objections.

(*c.*) That all monies received by trustees shall be placed under the control of the Board of Trade by being paid into a general account at the Bank of England, to be invested, so far as available, with a view to providing funds for carrying out the provisions of the Bill. To this proposal serious objections have been taken, and to these I shall refer hereafter when I come to deal with Section 68. (See No. 24 below.)

(*d.*) That the Board of Trade shall audit all trustees' accounts. This proposal, as it stands in Section 71 of the Bill is, likewise, in my opinion, open to some objections which I shall deal with hereafter. (See No. 25 below.)

(*e.*) That the Board of Trade shall (subject to appeal to the Court) have power to object to the appointment of any trustee on the ground of unfitness (Section 18), and to remove him for misconduct or neglect of duty (Section 78), and also that it shall take cognizance of the conduct of trustees, call them to account for any neglect of duty, and institute such enquiries into their accounts and proceedings as it shall deem proper (Section 83). As these proposals are entirely in the interests of creditors, and do not in any way supersede the control over trustees to be exercised by the creditors themselves, I do not see that, from their point of view, they are open to any objection.

These are the principal features of the supervision which it is proposed shall be exercised by the Board of Trade, and subject to the objections to which I have referred, they do not appear to me to interfere with the perfect freedom of creditors to exercise that control which they are entitled to exercise over what is undoubtedly their own property. On the other hand, they are well calculated to promote a proper working of the bankruptcy law by holding out to all reckless and dishonest debtors the certain prospect of exposure and punishment, and by making trustees realise that they have duties to perform, from which they cannot escape, as they have sometimes done in the past, from the want of powerful and efficient control. No doubt these proposals are open to the objection that they cannot be carried out without considerable expense which must ultimately be borne either directly or indirectly by bankrupt estates. At the same time, looking to the fact that every English bankruptcy scheme which has hitherto been tried, has been accompanied by an enormous waste of assets, and by a palpable want of control over the conduct of bankrupt debtors, I do not think that we should be justified in objecting to any proposal which offers a reasonable prospect of dealing with these evils in an effective manner, so long as it does not interfere with the right of the creditors to control the administration of the estate. Whether these proposals shall work satisfactorily or not must largely depend upon the spirit in which they are carried

out, and whether the proposal to appoint to the office of official receivers the present Registrars of County Courts, is likely to be the most efficient method of exercising this supervision is open to question, but it is something gained to have the responsibility for the proper working of the system thrown upon a department like the Board of Trade, which is directly represented in Parliament, and open therefore to parliamentary criticism and control.

As the bill has now been published for a considerable time, and the changes proposed to be effected by it have been minutely detailed in the Memorandum published by the Board of Trade, and referred to more or less by all the leading journals in the kingdom, and as it has also been the subject of very full discussion on the second reading of the Bill in the House of Commons, I feel that I should be occupying your time unnecessarily if I were here to recapitulate the whole of these changes. I shall, therefore, confine myself to noting such of them as appear to be of special importance, or to require special comment, and these I shall deal with in the order in which they occur in the bill.

1.—Section 4 omits and thereby abolishes the distinction betwixt a trader and non-trader, and limits the time within which a debtor must pay a judgment debt under a bankruptcy notice to *three* days instead of as at present *seven* days in the case of a trader, and *twenty-one* days in the case of a non-trader. I think both of these alterations will meet with general approval.

2.—Section 5 requires all proceedings whether by a debtor or creditor to be commenced by a bankruptcy petition, but with the view of inducing the debtor in every case to make a reasonable offer of composition, it suspends the adjudication until after the first meeting of creditors, when if a composition or scheme of arrangement is agreed to, the adjudication will be avoided altogether, and the compounding or arranging debtor will escape whatever odium may attach to the term "bankrupt." It is not contemplated that in any case the debtor shall escape a full investigation into his affairs, but only that if after such investigation, he shall make an offer which the creditors can accept and the court can approve, he shall escape the odium referred to. This distinction betwixt a defaulting bankrupt and a defaulting non-bankrupt is chiefly sentimental, and must prove especially unintelligible to foreign creditors, who are accustomed in this respect to call a spade a spade, but looking to the important part which sentiment does play in all human affairs, and to the safeguards which the bill provides against its abuse I do not see that the proposal is open to serious objection.

3.—Section 6 (1), allows a creditor to present a bankruptcy petition in respect of a debt payable "at some certain future time," as, for example, a *current* bill of exchange. This seems perfectly reasonable, seeing that the petition can only be presented after an "act of bankruptcy" has been committed by the debtor.

4.—Section 6 (2), requires a partially secured creditor, in presenting a petition to value his security, and deduct it from his debt, but there is no provision for the trustee or creditors afterwards requiring a surrender of the security at the valuation. This is effected at present by a Rule of Court (No. 117 of 1870), which ought to be inserted in the Bill.

5.—There is nothing in this Clause or in the bill entitling the petitioning creditor on whose petition an adjudication is made to the costs of his petition as a preferential claim. I submit that this ought to be provided for.

6.—Section 9, provides that on the making of a receiving order, the estate shall be taken possession of by the official receiver, who is to hold it till the first meeting of creditors. Section 11 also provides that the official receiver *or if he declines, the Court, on the application of* "*any creditor*," may appoint a special manager of the debtor's business, where such an appointment seems desirable. I think the power here proposed to be given to the Court to appoint a manager where the official receiver considers it unnecessary, is open to grave objection. Under the present law the Court may appoint a receiver on the application of "any creditor," and this power has led to great scandals, as in practice it simply means that a nominee of the debtor is generally appointed to that office, and through the knowledge and influence which he thereby acquires is often able to secure the trusteeship. Such applications to the Court are necessarily of an *ex parte* character, they are often made by some relative or connection of the debtor, or by some creditor acting in collusion with him or his solicitor, and as the Court has nothing to guide it except the affidavit of the creditor, they are almost invariably granted as a matter of course, and bills of costs thereby incurred which are altogether unnecessary. Now, the appointment of an official receiver who is entirely independent of the debtor, is obviously intended to prevent this abuse, but the benefit of his appointment will be largely neutralised if his responsibility and his power of control is to be in danger of being superseded at the instance of "any creditor," who may satisfy the Court on an *ex parte* application that it is desirable to appoint a special manager. I doubt whether this suggestion has originated with the Board of Trade, for it appears to be expressly designed to defeat the very object for which their representative is to be appointed. Sub-section 4 most gratuitously declares that the manager thus appointed is to be "eligible for the office of trustee." There is not the slightest necessity for this declaration for he is eligible without it, but it indicates the use which it is contemplated shall be made of the power to apply to the Court. I believe that an attempt will probably be made to carry this clause further, by striking out the power given to the official receiver to appoint a manager, leaving the appointment entirely at the command of "any creditor," who has an eye to the appointment of a particular

trustee, and I trust, that if the Council agree with me, they will make a strenuous effort in the opposite direction by endeavouring to cancel the power of a single creditor under this clause to apply to the Court on an *ex parte* affidavit. It is the express duty of the official receiver to protect the estate intact until the creditors can be called together, and by section 64 he is required to consult, as far as practicable, "the wishes of the creditors with respect to the management of the debtor's property," summoning meetings for that purpose, if he thinks it advisable; but it will be useless for him to consult the creditors, and impossible for him to act upon their wishes, if both they and he have been superseded by the appointment of another official who is in possession of the debtor's property, and in no way under his control or bound to act upon his instructions.

7.—Section 15 provides for the public examination of every debtor against whom a receiving order has been made, and gives a *locus standi* to every creditor to appear and put questions to the debtor. The official receiver is also to take part in the examination, which is to apply to the debtor's conduct, dealings, and property. I think it would be desirable, in addition to the provisions of the bill on this point, to declare that notes of the examination should be taken down in writing and signed by the debtor, and that these notes should afterwards be open to the inspection of any creditor. This is the case in Scotland, and the arrangement there proves highly satisfactory and convenient.

8.—Section 16 gives the creditors power at the first meeting to resolve on an adjudication in bankruptcy, which in that case is to follow forthwith, or to entertain any offer for a composition or scheme of arrangement, which involves the payment to the creditors of not less than 5*s.* in the £. I presume that the "scheme of arrangement" here contemplated is to be a definite offer for the payment of a certain sum of money to the creditors and not merely like the present system of liquidation by arrangement, a device to evade the greater part of the provisions of the bill, but I think further information on this point is desirable, as the terms of the clause (with the exception of the provision for a payment of 5*s.* in the £) are wide enough to embrace any arrangement to which the requisite majority of creditors and the Court may accede. It is important, however, to note that whether the proceedings take the form of a composition or scheme of arrangement, the consent of the creditors by special resolution at two separate meetings, one of which is to be held after the debtor's examination, and the approval of the Court to the proposal as reasonable are to be required. Moreover, the Court must also be satisfied before confirming it, that the debtor has not been guilty of such conduct as would in bankruptcy disentitle him to a discharge. I do not think it is advisable to name in the bill a sum of 5*s.* as the minimum amount at which a composition should be offered. Such limits have a strong tendency to realise themselves in practice, and

both debtors and creditors come to think that if the composition offered is equal to the amount stated in the Act it is sufficient. I do not see why, in nine cases out of ten, an honest debtor should have any difficulty in paying 10*s.* in the £; this is the limit stated in section 25, as that which ought to be paid by a *bankrupt* before obtaining his discharge, and if this limit is also fixed in regard to compositions and schemes of arrangement, with the power conferred upon the Court in special cases to consider the circumstances attending a lower offer, I believe that it would have a wholesome influence in leading insolvent debtors to call their creditors together before they had carried on their reckless or unprofitable trading too far.

9.—There is nothing in Section 16 or in the bill prohibiting a creditor from making a secret bargain with a debtor for some additional consideration or advantage to himself in return for his support to any offer of composition or scheme of arrangement.—I believe the Courts have laid down that such an arrangement is illegal and cannot be enforced, but I submit that it should be expressly declared to be so in the bill itself, and that any creditor entering into such an arrangement should forfeit all claim upon the bankrupt's estate, and that a debtor who enters into such an arrangement should, notwithstanding any provisions in the resolution accepting a composition or scheme of arrangement, remain liable for any balance of his debts to all his creditors.—Unless some strong provision of this kind is inserted in the bill, I believe that the very stringency of its provisions in reference to the discharge of the bankrupt will lead to a vast amount of bribery of this kind in order to secure the requisite support to an inadequate composition, to the great prejudice of the general body of creditors.

10.—Section 19 regulates the appointment and duties of the committee of inspection. Its provisions are somewhat meagre, and I would suggest the following additions:—

1. Holders of a general proxy (who must be persons in the confidential employment of creditors) should be eligible for the office.
2. Failing any resolution by the committee as to its meetings, it should meet not less than once a month. It is impossible for a committee to exercise that supervision which it ought to do, unless it meets frequently, especially at the early stages of the bankruptcy.
3. Any member of committee should have the right to summon a meeting to consider any special matter which he may desire to bring before it.
4. A quorum of *two* instead of *three* members, as provided by the Bill, should be competent to act.

5. The committee should be required to audit the trustees' accounts periodically, say once every three months, as under the present Act, and should certify that they have been so audited before they are submitted to the Board of Trade. There is no provision in the Bill for any audit by the committee of inspection, and this ought in fact to be one of its most important duties.

11.—Section 25 regulates the question of the debtor's discharge, which is to be entirely left to the Court, after hearing a report on his conduct by the official receiver and any objections by any creditor. Among the conditions which disentitle a debtor to his discharge is the fact that he has not kept proper books, but I submit that in addition to this he should be required to prepare a balance sheet of his position not less frequently than once a year. The provision as to granting a *partial* or qualified discharge appears to be specially valuable, as there is certainly no reason why a debtor who cannot pay *all* his debts should not at least pay such portion of them as his future means may reasonably enable him to do. There is, however, no provision in the bill for examining the debtor in reference to his after acquired property or income which will be necessary to make this provision effective.

12.—Under the Act of 1869 the order of discharge was declared not to release the debtor from debts contracted by fraud, or for which forbearance had been obtained by fraud. The present Bill omits this provision which it appears to me ought to be restored. It should also I think be provided that the discharge should only release from liability for debts due to creditors who are included in the debtor's statement, or to whom notice of the application for a discharge has been given, otherwise creditors at a distance who had no knowledge of the proceedings till after the debtor had obtained his discharge, might be defrauded.

13.—Section 26 (4), provides that a joint debtor with the bankrupt shall not be released by an order of discharge, but there is no similar provision in the case of a creditor voting for or accepting a composition, or agreeing to a scheme of arrangement. I am not aware how far creditors would be protected by any rule of law outside of the Bankruptcy Act in such a case, but the question is, I think, worthy of consideration, whether they should not be protected by an express enactment in the bill itself.

14.—Section 27 provides that any undischarged debtor who obtains goods on credit to the extent of £20 or upwards without informing the person giving credit that he is an undischarged bankrupt, shall be guilty of a misdemeanour. This, I consider to be one of the most valuable clauses of the Bill as it only strikes at dishonest or reckless debtors, and in their case makes bankruptcy a real calamity.

15.—Section 43 (2) contains a provision which is no doubt well intended, but which as it stands is impracticable and might prove

most unjust. It declares that if a debtor pays off a creditor who has presented a bankruptcy petition against him and thereafter becomes bankrupt on another petition presented within 28 days, such payment shall be void against the trustee in bankruptcy. Under any circumstances, I presume that it is intended (although it is certainly not so expressed) that such payment shall be made *with a view to giving the creditor a preference*, otherwise the creditor who took proceedings in bankruptcy would be placed in a worse position than one who had been paid *at the same time*, or even subsequently without such proceedings, but even if amended in this sense, it is still open to the objection that unless the payment was made by collusion with the creditor the latter would be unjustly treated, for he might in consequence of such payment have forborne or been prevented from adopting other remedies, or proceeding against third parties. For example, a creditor suing the acceptor of a bill of exchange and recovering payment under a bankruptcy petition, would thereby lose his recourse against the endorsers, and even if it were provided that in such a case he should, on repaying the amount which he had received from the bankrupt acceptor, be entitled to sue the other parties to the bill, the position of the latter might, during the period which had elapsed in the meantime (and which might easily amount to two months or more), become seriously altered to his prejudice. Further, the creditor may have held securities which he had given up on payment of his debt, but under this clause he would not be entitled to recover them. There seems to be no good reason why a creditor should, under any circumstances, be deprived of the fruits of his diligence, unless *he had knowledge of an act of bankruptcy on the part of the debtor*, and in no case should he be placed in a worse position than he previously occupied. The sub-section should be omitted altogether, as it does not appear capable of being amended in accordance with any equitable principles.

16.—The same objection applies, in a modified degree, to the first part of the clause, Section No. 43 (1.)

17.—Section 45 (1) provides that the trustee shall, "as soon as may be," take possession of the bankrupt's books and papers, and Section 53 (1) declares that he shall, "with all convenient speed," declare a dividend; but there is no provision that he shall similarly proceed to realise the debtor's property. A case recently occurred within my own knowledge, where a trustee, with the assent of a majority of the committee, held a piece of land, and other property, for nearly five years without realising it, on the plea that the property would *probably improve in value*—instead of which, it seriously diminished, to the great prejudice of the creditors. The Court, on being appealed to, decided that there was nothing in the Act which empowered it to interfere, and the property is still unrealised. I submit that it is no part of the duty of a trustee, even when fortified by the opinion of the committee, or by a majority of the creditors, to

speculate in the problematical future value of property or to refrain from fulfilling the duty for which he was appointed, and that the Bill should be amended, by adding to this clause the words, and "shall forthwith proceed to realise the property of the debtor with all convenient speed."

18.—Section 51 (3 & 4) gives the trustee power, without the consent of the committee or creditors, "to carry on the business of the "bankrupt, so far as necessary for the beneficial winding-up of the estate," and to institute legal proceedings. I submit that these are acts which should be included under Section 52 as things to be done *only with the permission of the committee of inspection.*

19.—Section 52 (1) gives the trustee power, with permission of the Committee, to "employ a solicitor or other agent." This is much too vague. One of the great scandals which characterises the present administration of bankruptcy arises from the facilities afforded for reckless and unprofitable litigation when the trustee is authorised to employ a solicitor in general terms. Having once obtained the requisite authority, the committee are consulted as little as possible, and large bills of costs incurred in cases where, if the authority of the committee had been required to *each specific action or other piece of business,* it would never have been given. I would therefore suggest the following addition to this sub-section, viz.:—"To conduct any necessary legal business specifically sanctioned in the resolution of the committee authorising such employment," and the taxing master should be required to see that such sanction has been given before taxing the bill.

20.—Section 53 (4), which requires the trustee to give notice to the creditors before declaring a dividend should require such notice to be given within a reasonable period, say two months, of the time when it is intended to declare a dividend, otherwise the object of this provision is defeated (as under the present law) by the trustee issuing a general notice at the commencement of the bankruptcy that he intends to declare a dividend, it may be twelve months before actually doing so.

21.—Section 55 requires the trustee to "have regard to" any disputed claims in the distribution of a dividend. It is not clear whether he would be responsible under this clause if he distributed all the funds without making provision for such claims. I have known creditors entirely defrauded of their dividends in this manner, and would advocate the insertion of words requiring him, as under the Scotch law, to set aside a sum sufficient to pay dividends upon such disputed claims.

22.—Section 59 (2) gives the Court power, when the committee makes no allowance to the bankrupt, to make such an allowance. I submit that unless the court is to provide the funds it should have no such power.

23.—Section 66 provides for the payment of the trustees remuneration by a commission on the amount realised and distributed among the creditors, but the value of this provision is largely neutralised by sub-section 4, which gives the taxing master power, where no remuneration has been voted, to allow such costs and charges as he may think proper. Under this clause it will always be the object of trustees to leave the question of remuneration unsettled by the creditors, who cannot be supposed to be sufficiently acquainted with the provisions of the bankruptcy law to entertain it of their own accord. I submit that on the contrary it is the duty of the trustee to see that his remuneration is fixed by the creditors in accordance with the Act, and I would therefore propose that this sub-section should be omitted.

24.—Section 68. This clause provides for the payment of all monies received by the trustee to a general account at the Bank of England, from which it is only to be drawn for the purposes of the bankruptcy with the consent of the Board of Trade. But it also provides for the opening of an account with a local bank, where such a course appears necessary to the Board of Trade. The object of this clause is not merely to withdraw the funds from the immediate control of the trustee, for that could be done by providing for the opening of a special account with a local bank, to be operated on only with the consent of the committee of inspection, but the main object appears to be to obtain the use of a large sum of money, the interest on which should be applied in meeting the expenses entailed by the provisions of the Bill, more especially in connection with the system of official supervision. The objections to this course as an undue interference with the rights of creditors, and as tending to hamper the trustee in the administration of the estate, have already been fully dealt with, both by this Institute and by the Country Bankers' Association, and the clause will no doubt be strongly opposed. Of course if it is amended, creditors will have to be prepared to pay so much larger fees, and to this I presume they will not object.

25.—Section 71 provides for the audit of the trustees' accounts by the Board of Trade, but omits the provision in the existing Act that such accounts shall in the first instance be audited by the committee of inspection. I see no reason for this omission, but on the contrary would, as I have already suggested, urge that the accounts should be audited by the committee every three months *before being sent to the Board of Trade.* Indeed, I fail to see how that Department is under any circumstances to conduct an efficient audit of the accounts. It must be borne in mind that trustees are required to render accounts twice a year, and seeing that there are about 10,000 bankruptcies per annum in England and Wales, the audit will probably extend to over 20,000 accounts per annum, and if in addition to this the Board of Trade is to open, as is proposed, a cash account with every estate, and preserve a record of all payments made to and by trustees to the

Bank of England, an amount of work will be thrown upon the department which will probably lead to a breakdown of the whole system; but under any circumstances such an audit as is here proposed, conducted without local knowledge, can scarcely be expected to give reasonable satisfaction to the creditors.

26.—Section 82 gives a right of appeal to the Court, at the instance of the creditors or any person aggrieved by any act of the trustee, but a similar right of appeal should be given. *against any resolution of the creditors or committee of inspection*, where reasonable grounds of objection can be stated.

27.—Section 91 prescribes the powers to be delegated to the Registrars of the Court, and among other duties provides *(d)* that he shall approve of compositions or schemes of arrangement when the "official Receiver does not oppose." I think that where the composition or scheme is opposed by the official Receiver, *or by any creditor*, it should be heard before the Judge and not before the Registrar.

28.—Section 114 provides for a summary mode of dealing with debtors whose total debts are less than £50. Its provisions appear to be reasonable, and calculated to secure an equal distribution of a debtor's assets in such cases.

29.—Section 117 provides for the winding up of an insolvent estate of a deceased debtor under the provisions of the Bankruptcy Act instead of by an administration suit in the Court of Chancery. This effects a much needed reform, especially in the case of country estates, where at present the proceedings have to be conducted at great cost and inconvenience in London instead of in the local courts. Sub-section 2, however, provides that when an order has been previously made for the administration of a deceased insolvent debtor's estate, otherwise than in bankruptcy, it shall not be wound up in bankruptcy. I think this clause is decidedly objectionable, as it will lead to an application being generally made for a winding-up by the Court in order to defeat the purposes of the Section, and I therefore advocate its omission.

30.—Section 119 provides that the general rules to be issued for regulating proceedings under the Act shall (except as regards rules framed under the Judicature and County Courts Acts) be framed by the Lord Chancellor with the concurrence of the President of the Board of Trade, instead of by the Lord Chancellor and Chief Judge in Bankruptcy. Probably under such a complicated system as bankruptcy must always be, and with a new Act, introducing many alterations in the law, which will require fuller elucidation for their practical working, such a provision is for a time at least indispensable, and as all such rules are to be laid before Parliament, and the representative in Parliament of the Board of Trade will be open to representations or complaints in regard to them when necessary, this provision may be expected to work better than the analogous

provisions of the present law. At the same time it should only be regarded in the light of a purely temporary arrangement.

31.—Section 141 abolishes the preference hitherto accorded to claims at the instance of the crown, and Section 36, which regulates the priority of debts, in the same manner, omits the preference given by the Act of 1869 to all parochial and other rates, and all assessed and other taxes, which will, under the present bill, rank for dividend on the same footing as other claims. This concession will prove especially valuable in the case of small estates.

32.—Sections 154 and 155 give power to the Court, where there is reason to believe that the debtor has been guilty of a criminal offence, to commit for trial, and provides for his prosecution by the Public Prosecutor. I believe this provision will meet with universal approval at the instance of the mercantile community, as a step in the right direction.

33.—I now come to the consideration of the clauses referring to meetings of creditors and proofs of debts, which are dealt with in the two schedules attached to the Bill. It will have been observed by the members of the Institute that a separate bill, dealing with a portion of this subject, has also been introduced by Sir John Lubbock, the President of the Institute, in the objects of which I believe we shall all unanimously concur, although I trust that I may be permitted to express the hope that it may be found possible to deal with them by incorporation where necessary in the Government Bill, instead of by separate enactment. That Bill contemplates five distinct objects, viz.:—

1. That one-fourth in value of the creditors should be empowered to call a meeting of the creditors (Section 6).
2. That a similar proportion of creditors should be empowered to require the trustee at any time to transmit to the creditors requiring it, a statement of his accounts up to date of such notice (Section 7).
3. That the trustee should be required, at any meeting summoned for the purpose, to furnish any information and explanations regarding the administration and management of the bankrupt's property which the creditors may require (Section 8).
4. That a majority in value of the creditors may require the trustee forthwith to distribute any assets which may then be available for distribution (Section 9).
5. That the trustee should be required to furnish to any creditor on application, a list of the creditors with the amounts of their debts, to be paid for by such creditor at the rate of fourpence per folio (Section 10).

The *first* requirement is practically provided for in the Government Bill, Schedule I, Section 5.

The *fourth* is covered by Section 81 of the Bill, which empowers the creditors to give directions at any meeting as to the distribution of the bankrupt's property, and by Section 53, which requires the first dividend to be declared, within four months after the first meeting of creditors, and subsequent dividends every six months thereafter.

The *third* ought to be included among the duties of the trustee, although, as the creditors have the power under Section 78 to remove the trustee by an ordinary resolution, they will practically have all questions of this kind in their own hands.

There remain the *second* and *fifth* requirements to be dealt with. The former undoubtedly embodies a valuable suggestion. Every facility ought to be afforded to the creditors for becoming acquainted with the progress of the liquidation of the estate. I entirely concur in the view expressed by our President on a previous occasion—that if real power is thus given to the creditors to deal with their property, they are not likely to neglect it. (*See Journal* for 1880-1, p. 286.) I would venture, however, to suggest for his consideration, whether these two clauses of his Bill might not be extended, so as to provide that *any creditor may, at all reasonable times, inspect the accounts of the trustee, the minutes of the Committee, and all other documents and proceedings connected with the realisation of the estate, together with the debtor's books and statements, except such as shall be deemed to be of a confidential character (in respect of which there should be an appeal to the Court), and to require copies or extracts of the same, or of any portion thereof, to be furnished to him on paying the necessary expenses of making such copies or extracts.*

34.—In addition to these points I think Schedule I is somewhat incomplete in its provisions and should be amended by the addition of new or alteration of old clauses to the following effect, viz. :—

1. A *second* ordinary meeting of creditors should in all cases be summoned within three weeks of the bankrupt's examination, when a report on the same should be furnished by the trustee or official receiver, and the instructions of the creditors taken in regard to the realisation of the estate. This is in accordance with the Scotch Act, while the Government Bill only proposes to call a second meeting when a composition or scheme of arrangement has been entertained.
2. Subsequent meetings should be called at such times as the creditors at the first or second ordinary meetings may direct, and failing such direction, once every six months, for the purpose of receiving the trustees accounts and considering the position of the liquidation.
3. Notices of all meetings should be sent by the trustee to each creditor seven days before the meeting, power being

reserved to the creditors at any meeting (or to the Court) in cases where the creditors are numerous and the assets small, to direct the summoning of the meeting by advertisement, without such notices.

I may add that these three proposals are given effect to in Section 14 of the bill introduced into Parliament last Session, and re-introduced during the present Session by Mr. Dixon-Hartland.

4. All questions at any meeting of creditors should be determined by an *ordinary* resolution, unless when otherwise provided by the Bill.
5. Under Section 11 it is provided, in accordance with the existing law, that if a secured creditor "votes in respect of his whole debt, he shall be deemed to have surrendered his security." Cases of great hardship have arisen under this rule, where a creditor has voted in ignorance of the law, or of the circumstances attending his security, and to avoid this I would suggest the addition of the words, "unless the Court on application is satisfied that the omission to value the security has arisen from inadvertence."
6. Section 20 provides, that a creditor may appoint the official receiver as his general or special proxy. It ought to be added that where he holds a general proxy, he shall not use it for the purpose of voting for his own nomination as trustee.
7. No creditor should be allowed to vote at any meeting in respect of a debt acquired after the date of the petition on which the debtor was adjudicated a bankrupt. otherwise debts may be bought up for the purpose of controlling the election of trustee, or otherwise unduly interfering with the proceedings.

35.—Schedule II. deals with Proofs of debts, and in this respect its provisions are much more equitable towards secured creditors than those of the existing law. It permits a creditor, who has valued his security, to amend the valuation if he can show that it was founded on a mistaken estimate, or that the security has altered in value; but apparently by some slip on the part of the draftsman, it retains (in Clauses 11 and 12) the objectionable rules of Court, which are utterly inconsistent with this provision, and which virtually declare that if a creditor *has* made a mistake in his valuation, and the security should, on realisation, produce either less or more than the sum at which it was valued, he is not to be permitted to retain the excess in the one case, nor to rank in respect of the deficiency in the other. The Schedule also proposes to give the trustee power to compel a realisation of the security without the consent of the creditor.

I do not see on what ground such a power should be conceded. One of the privileges of a mortgagee is that he may choose his own time for the realisation of his security, and that he cannot be compelled to throw it on the market at an unfavourable moment, but Clause 14 of this Schedule would destroy this privilege, and thereby seriously impair the rights of mortgagees. The attempt to force an unmarketable security on the market might lead to a great sacrifice of the creditor's security, or might seriously interfere with its value, and there does not appear to be any just ground for such a proceeding. I would therefore urge the omission of Clauses 11, 12 and 14 from this Schedule.

I have now gone through what appear to me to be the more important changes which it is proposed by this bill to effect in the existing law, and pointed out where, in my judgment, they are defective, and require amendment, and in conclusion I have only to say that subject to these suggestions, the measure is, in my opinion, one which is well calculated to effect a thorough and radical reformation of existing abuses. It is too much to expect that it will put a stop to all, or that the ingenuity of man will not devise new methods for evading its provisions, and creating fresh grounds for complaint; but while doing much in this direction, it lays a foundation for such further reforms as time and experience may suggest. I am aware that many business men, whose opinions are entitled to the greatest weight, regard this subject as one which is incapable of being satisfactorily dealt with by legislation, and it is not surprising that such a feeling should exist when we regard the repeated failures of each successive bankruptcy bill as it has in turn become law, but I confess that I am rash enough not to be frightened by past experience into such a feeling of despair, and I firmly entertain the belief, as well as the hope, that if the measure passes through Parliament without any material mutilation, it will do something not inconsiderable towards checking the abuses which have characterized the past history of our bankruptcy legislation, and raising the tone of commercial morality throughout the country. I have to thank the Council for permitting me so freely to ventilate my own views upon the subject before the members of this Institute, and I trust for your sakes as well as my own that this may be the last occasion on which I shall appear before you in the *rôle* of a bankruptcy reformer.

Discussion on Mr. Smith's Paper.

Mr. R. B. Martin, M.P.: We are all much indebted to Mr. Smith for the careful way in which he has called our attention to the provisions of the new bill, and in many of his remarks some of us will be sure to agree. I can echo his sentiments that it is extremely unlikely that this measure, even if altered in passing through Committee, will give final satisfaction. The course of trade and business keeps constantly altering in England, and I think we may take it for granted that to have satisfactory bankruptcy legislation it must be elastic and changeable every few years. There are some points in the new bill which will meet with decided opposition indeed. One of these is the proposal to pay all sums received to the credit of an account at the Bank of England. I do not think that such a scheme can be possibly worked. It may result, if carried through, in serious inconvenience; or it may be found impossible to carry out a banking arrangement owing to the "red-tapeism" which such a provision would introduce. I think I may say we all welcome the provision in the bill which changes the supervision of bankruptcy proceedings from the Law Courts, if I may say so, to the Board of Trade, and on the ground that the Board of Trade will be more likely to look at the matter from a mercantile and more elastic point of view, and vary its rules and regulations from time to time according to the requirements of trade more than the stringency of law practice is likely to do. You will have observed that in the debate in the House of Commons, eight members of the legal profession, four solicitors and four barristers, took part, and the consequence was that the mercantile view of the matter was very slightly considered; but I hope the mercantile part, in which we are chiefly interested, will receive its full attention in Committee. This bill will effect a great many social relations and questions which do not concern this Institute at all, or very little. For instance, Clause 47 refers to beneficed clergymen and persons holding commissions in the Army and Navy. That is not a clause that I personally approve of in the least, because I think the whole subject ought to be dealt with in a broad manner, but I merely instance that case in order to call your attention to the wide scope of the bill which will affect persons throughout the whole country. It was either Mr. Chamberlain or the Solicitor-General who explained the reason for leaving in the word "Bankrupt"—because there are legal disabilities touching a man who has become bankrupt, and not merely insolvent, and unless the word were left in it might involve the alteration of a great deal of the Statute Law, of which any lawyer would be able to point out instances. Then another question is of the first importance, and that is the valuation of securities in which Bankers more especially are interested, and that point seems not at all clearly set out in the Schedules. Mr. Smith proposed that 11, 12, and 14 should be left out. I think there

is a decided opinion among the mercantile classes, and I believe the Chambers of Commerce and the Committees of the different Trades are agreed—that this point must be made perfectly clear. What is wanted is that a man shall take over, if he pleases, his security, at a fair value, and take it clean out of the estate if he likes for better or worse; or, abandon it to the estate, which he would not do if it were worth anything. Under such an arrangement there would be none of the present difficulties arising from the disputed value of securities which often present great hardship to creditors who have taken pains to secure themselves from loss. But on this point I cannot at all agree with Mr. Smith when he says (page 229) that the assets ought to be realized at the earliest possible moment, because it is quite evident that in the case of a man in a large way of business with goods for a limited market, if those goods were all thrown on the market by forced sale it would be very detrimental to the estate, and the only person who could possibly benefit would be the creditor in whose hands they might be held. If they were thrown on the market at once the dividend might be very materially prejudiced, because it always happens that, in the case of particular goods, the upset of the market causes such a panic that the value of the goods is more than justly depreciated. I think, therefore, it is only just that a reasonable time should be allowed, and that a discretion should be left to the trustee. The trustee ought to, and would, I think, represent the views of the creditors, and ample time should be left to him to realize the goods, the property, or whatever it may be, at such times as he thinks proper. At the same time an opportunity should be given to the trustee to agree with a creditor holding security as to a fair price (with the sanction of the rest of the creditors) at which he will take his security clean out of the estate. I believe that in that respect the present law has been felt to be unjust. The limitation of the discretion of the secured creditor is a point which ought to be amended. In Section 25 I hardly think sufficient stress is laid on the importance of every man keeping books of account. It seems to me if a man enters upon trade and pledges his credit, and obtains goods of which he ought to be considered merely a trustee for those he does business with, he is bound to keep certain sufficient books so as to be able to account for what he has done with his property. The occasion of this Bankruptcy Bill ought to be made one on which to insist on the necessity of keeping sufficient books of account in accordance with the law which exists all over Europe, which makes the keeping of books a *sine quâ non*. It is easy for a man to get rid of his property under the plea of having no books, and thus to baulk investigation which so often leads to the result that the dividend has vanished. I think this would be an opportunity of making a more stringent law on that point. I think also in regard to the thirty-sixth section an extremely important provision ought to be made, and that is in respect to voluntary settlements. Suppose a man who is trading

becomes a bankrupt; his trade creditors assemble and suddenly find they are swamped by a large proof that is put in by a relative perhaps, under which the man has bound himself to pay perhaps a sum equal to the rest of his liabilities; and the consequence is the man by a roundabout way gets 10*s.* in the £ of his assets back into his own possession, and the creditors are defrauded. It is simply a case of fraud, because all these cases of bad bankruptcy are more or less fraudulent. There is little difficulty with the honest trader who pulls up when he has lost a certain portion of his property. The difficulty with a Bankruptcy Bill arises more or less in dealing with fraudulent bankruptcies. I think some provision should be made that trade debts should rank before these voluntary settlements. I do not know that the country would be prepared to have a general registration of settlements by persons in trade—marriage settlements and voluntary settlements—in the same way that Bills of Sale are registered; but I have no hesitation in saying that if any radical reformer were to put forward such a sweeping measure as that I, for one, should support it to the best of my ability; but it might be considered that it was prying into the private affairs of people, and probably would not be submitted to. With reference to the limit of 5*s.* in the £ as the amount of dividend to be approved by the court, I certainly think that 10*s.* would be much better. What you want is to give an inducement to a man to stop his trade before everything is swept away. If 10*s.* were substituted for 5*s.* in the £, it would be an inducement to a man who had got into difficulties to pull up before he had gone too far. If it were known that he could not, without a difficult process, get his discharge unless he paid 10*s.* in the £, it would induce a man to pull up sooner. Then comes an important question. I do not think any Bankruptcy Bill will ever touch—in the way of punishing—fraudulent and insolvent debtors, because you cannot say they shall not trade again, as they can immediately carry on trade under some fictitious name or in the name of some nominee. It is very difficult indeed to get hold of them. But perhaps that hardly comes within the scope of a Bankruptcy Bill, because such a bill must always suppose that debtors are honest, and such legislation always supposes that fraud takes no part in the proceeding.

Mr. Ladbury: I have had considerable practice in connection with bankruptcy proceedings, and I think there are provisions in the present Act which are far superior to some contained in the bill lately introduced into the House of Commons. There are provisions in the law upon which Mr. Smith has so carefully given us his views, which cannot be set aside. I allude particularly to the Debtors' Act. No Act of Parliament that can be made by the House of Commons should set aside the Debtors' Act, for any debtor to contract a fraudulent debt cannot purge himself by bankruptcy; a debtor under these circumstances is punishable. No law should set

aside the crime which he commits under that Debtors' Act. He cannot now get a release in any way if he commits those crimes. The present law recognises that, and though the intended Act does not, you cannot do away with it. It is a separate Act, introduced into the Act in 1869. The observations I have to make upon the present bill are the following: The debtor is to present his petition through a receiver, and he is to give his accounts to that receiver. Now in the business in which I am mostly engaged, viz., in connection with merchants in the City of London, the following practice prevails: When a debtor first presents his petition, those for whom I act make it a rule to appoint whom they like to go and investigate that debtor's affairs. They will not enter into any arrangement of any kind until that has been done. Frequently I myself or my partners have been opposed by solicitors in the country, but when they have come to meet the creditors they have found out their mistake, and we then adjourn the meeting until that be done. Frequently they not only see what the debtor owes, but what he has to pay with, and they make him account for his deficiency before they accept the composition. If he does not answer satisfactorily, they make him a bankrupt. I do not see why the creditors should not have liberty to do what they like, without putting him into the Court of Bankruptcy. What is now called "passing an examination" in bankruptcy is merely a farce. The registrar says: "The debtor owes £5,000, and he has £500 to pay it with. Has any gentleman any remark to make? No. Then I pass him." Now, under the old Bankruptcy Act, in 1832, when official assignees came in, a man not only prepared a statement of his affairs—his liabilities and his assets—but they required from him an account of all his deficiency. That is not done now. A man is not asked, "What has become of your deficiency?" But the trade in which I am engaged insist upon that explanation in some way or another. Then they are entitled to take what composition they like. The gentleman who read the paper has just said it is laid down in the Act that five shillings should be the extent of the composition, and he suggests that not less than ten shillings. A man may have a very good stock of calico, linens, silk, woollen goods, and so on, and if his stock is put in the market it will not lose 20 per cent.; but if a man has lace goods accumulated until it has become a bad stock—if that is put on to the market it loses 75 or 80 per cent. Is that man to be punished because his stock is not valuable, and he cannot pay more than five shillings? Therefore, I say, let the creditors judge what a man ought to pay, and not punish him because he cannot pay a specified sum. Now the creditors have the sole right of saying whether a debtor shall be made a bankrupt or not. Probably not more than 10 per cent. of debtors, who have gone though the Court of Bankruptcy, either by liquidation or by bankruptcy, have got a

release; and why? They cannot get a release, and that is the only punishment which the creditors can inflict. I have known instances where they have attempted to prosecute a man. What is the result? In a case that happened within my own knowledge, where a man had forged Bills of Exchange, the judge said, "If I had known this indictment had come into court, I would never have given these two men the punishment I have." One had six months and the other three, and the creditors spent the whole of the £4,000. I knew an instance at Leeds, some years ago, where two solicitors divided about £7,000 or £8,000 between them. The creditors never had a farthing, but that was under the old system. Under the present system, if you want to punish a man you must go to the Old Bailey. Where is the man who will do it? Creditors say they will rather write off the debt; they won't be put to this expense. Therefore the only punishment that a man has at present is by being deprived of his certificate. Now as to the control, an official Receiver is of no advantage to the creditors. That control frustrates the proper interference of creditors. The trustees account should be subject to some control; also the proper appointment of receivers and trustees, their charges, and the solicitors' costs. Now, under the present system, it is required by the Controller that a man shall have his costs and his charges taxed; and that a man like myself should have his charges looked over by a committee of inspection. There are many accountants now who are paying costs to solicitors without their being taxed. I saw one the other day, where three bills of costs were paid, and only one was taxed. The others were not. I will tell you why. The accountant gave the explanation that if he had not so acted the solicitor would have said: "I will never nominate you again in an estate." I went down to a town in the north. I had a meeting, and I was defeated. I had about £1,400 for me, and £1,500 for a person on the other side. I found out that I was defeated by a creditor at Manchester, who had a large debt. He gets his warehouse man to go to the debtor's premises as an assistant, and reduces his large debt down to £300. That has defeated me. Next time I went I wanted to see how the estate was managed. The banker's manager was one of the committee of inspection; I was one, and another person, two to form a quorum. I said, "Where is this bill of costs? I do not see it in your charges." "Oh!" said the accountant, "the solicitor received the purchase money for the stock-in-trade himself; he deducted his his own costs and handed me over the balance. I said, "We could not do that in London; they would not tolerate it." "Oh," he said, "you are very different. If I did not do that he would never get me employed again." In order to obviate that, I wrote to Mr. Chamberlain some months ago and urged, "Let every solicitor's bill be taxed in London." Take a town with 4,000 or 5,000 inhabitants. The solicitor comes there and goes to the

Registrar and says, "I want this bill taxed. It is £96; I will take off £10; make it £86." What does the Registrar say? There is not one Registrar out of ten who will say "I won't do it." I say let his bill be taxed in London. I quite agree with the provision in the bill that all claims should stand on an equal footing, except the wages of the servants. I do not see why a landlord, who has premises in Oxford Street, and who has a claim for twelve months rent, should be entitled to twelve months rent in full, and should be allowed to go in and take the stock-in-trade, which belongs literally to another creditor. Perhaps he goes in for £400. The stock is £800. He takes £600 out of the £800 and puts it into his pocket. He has not put goods into the shop; not he! But the poor creditor has. The landlord has lost nothing because he never had it, but the creditor who puts in his goods has lost them, and it is hard that he should have his goods taken to pay the landlord, and the other creditors get nothing. I quite agree that all rates, taxes, and landlord's claims should stand upon the same footing with the rest of the creditors. The landlord has the advantage. He can make his tenant pay every three months, whereas an ordinary creditor does not perhaps get his money under six or eight months; and he cannot then, sometimes, until he has taken certain legal proceedings, whereas the landlord can walk in and help himself. There is another thing. I think there are many debtors in the kingdom—80 or 90 per cent.—who have never had a discharge, but are incurring fresh liabilities. I was at a town in the south of England the other day; here was one man who had not obtained his discharge and yet had accumulated a large amount of property, and the application was made to the judge to file a second petition. Of course the answer was that there was already one in existence, and the trustee ought to have done his duty in seizing the property; but the trustee, I found afterwards upon inquiry, knew nothing about it. I think it is a very good part of the law of this new bill to punish such a man. The only thing I have seen in the present bill is that it wants a great deal of control as to the moneys received by trustees; that the money ought to be lodged somewhere in a bank, and some control exercised to see that it is done, and that no payment should be made out without some second party is named such as the Controller in Bankruptcy, if you like. He might sign all cheques, or somebody in his name or in his office might do so; but it certainly does want a great deal of attention, because there are some trustees who have money. I myself, once on a committee of inspection, asked the trustee what he was going to do with a certain sum he had received. "Oh," he said, "what am I going to do? I am going to take that for my charges." I said, "Let me see your bill. I am not a creditor, but I represent one. The other two members of the committee are large creditors; why are they not here?" I could not find out. Then I asked him, "Will you let

me see your receipts for rent?" He could not find them, but he said, "Do you doubt my word?" I said, "No; but I should like to see your receipts—your vouchers." I could not get them. Then I said, "Where is your own bill of charges?" "Oh," he said, "I am going to have certain sums allotted to me." "But," I said, "do not you tell them what you have done?" "No," he answered, "I do not." "Then," said I, "I shall leave it to the other two members of the committee of inspection to pass your accounts." I have heard nothing of him since. This is the class of persons who want control. In the business in which I am engaged, the creditors places confidence in us, and were we to act contrary to their instructions they would employ somebody else; and that is the power of control they have over us. There are a great many things in the present bill which are worked out and well understood by law; but there is only one I will refer to, namely, the law as to fixtures. The law is at present: if a trustee disclaims, you must be as though you had never been on the premises. In a matter in the City, the debtor paid his landlord £800 for the fixtures, but when the trustee began to remove them he had notice not to touch them; but he appealed to the court, which said: "You must be as though you had never been on the premises, but you must pay rent up to the time when you quitted the premises." I had myself to pay £170 rent—although I appealed against it—for a place I had never been on, before I could obtain an order to disclaim. Of course I appealed against it, but it was useless. There are many things in this present bill, particularly in regard to securities and proofs of debts. Bankers, of course, look well to bills of exchange, but the meaning of proper security is the lease of a house; something tangible, not bills of exchange. Those things are of value. If I hold the lease of a house, and my debt is £500, and the lease is worth £400, I ought to regard it as being worth £400, and prove for £100. Bankers sometimes have bills of exchange with the names of other parties to them. They come in and swamp the other creditors with a proof for, perhaps, £5,000. When the trustees come to pay a dividend, where is that £5,000? The bills are nearly all paid up, and the bank is a creditor perhaps for only £100, yet he has swamped the whole of the other creditors, and the manager has, perhaps, nominated his own trustee and his own solicitor. The mode this bill adopts is this: If you are a creditor for £5,000, and your bills amount to £4,000, and they are good bills, you must not prove for the whole amount; you must prove less the value of those good bills, and that is very reasonable. Mr. Chamberlain says in effect, if your bills amount to more than that you have a right to come and prove again, because your claim amounts to more. I do not see that these bill holders, because they have second names, ought to have any advantage. The bills generally represent goods given for them.

If Mr. White is a bankrupt and Mr. Black has bought goods of him to the amount of £100, and given a bill for them, that bill represents goods. It is not an ordinary bill, but it is a valuable bill. This amount should be deducted before a creditor proves. I do not think I have anything more to say except this, that I think it is a pity such an alteration is being made in the present Act, since every point has been settled, and the courts understand the points in the present Act much better than they can for some time to come those in a new bill.

The PRESIDENT (Sir John Lubbock): I think we shall all feel that there is a great deal of good in this bill which the Government has introduced. Those who heard the discussion in the House of Commons will also agree with me that Mr. Chamberlain introduced it to the House in a speech of great power and clearness. I quite concur with Mr. Smith in thinking that, although it is true he has adopted most of the suggestions we have originally made, the additional features which remain in the bill, and against which we did protest last year, are very objectionable. One or two of the gentlemen who spoke in the House of Commons seem to think the officials of the Board of Trade would look after our property better than we could do ourselves. They seemed to think that a man who was not an official of the Board of Trade would not look after property in which he was interested; but that an official of the Board of Trade would look after property in which he was not interested. I must confess I feel very great doubts indeed upon that subject. I cannot help thinking that the failure of the present system, and the reason why there is so much dissatisfaction, is due mainly to the fact that, practically, whereas, under the old act, everything was handed over to the official assignee, and the creditors had no power, under the existing act everything is handed over to the trustee, and the creditors have no power. There is one system we have never yet tried, and that is giving the creditors the power, and trusting to them to look after their own interests. There is nothing very different between £100 of property, which consists in a claim on a bankrupt's estate, and any other £100 of property. I cannot imagine why it should be supposed that people will not look after their own interests in this respect, when they look after them in every other. Of course when you have an act, such as the Act of 1869, which gives you no power whatever over your property, if you try to look after it you are only wasting your time and trouble, because you are absolutely powerless. It is very true, as the last speaker said, that the proposed bill will probably give rise to much litigation before the meaning of the various provisions is authoritatively determined, and I should myself have preferred a bill amending the present law in the particulars in which it has been found to be deficient. Mr. Smith has been good enough to refer to the bill which I myself introduced, and with reference to which he said, what I hope

is true, that in the objects of that bill we all unanimously concur. He went on to say that he trusted it would not be found impossible to deal with those subjects by incorporating clauses in the Government Bill, rather than by a separate enactment, and with that also I concur. I think that the great merit of the Government Bill is that it deals with the whole subject in a thorough and comprehensive manner. Of course I should never dream of attempting to pass a separate bill; but I hope that the points on which we are agreed will be incorporated in the Government Bill. Our object in introducing a separate measure was merely because we all know we have had bankruptcy bills very often promised before, and although we think now that the Government have put the present bill in the fore-front, and that they have the energy and determination of Mr. Chamberlain, which gives us a prospect of getting the bill through, yet knowing what has occurred previously we thought it desirable to have a second string to our bow, so that if any accident occurred then these points upon which we are, I believe, practically unanimous, might at least be amended. In regard to some of the questions raised by the last speaker—for instance, the question of bills—I have always rather wondered that there should be any reluctance on the part of the mercantile houses to bankers proving for bills, because the great danger, I think, has been in all these estates, that by some collusion on the part of the bankrupt with relatives or others, improper trustees might be appointed; and no one will doubt, I suppose, that it will always be the interest of bankers that the estate should be in good hands, and therefore the interest of bankers on these matters has always been identical with that of the other *bonâ fide* creditors; and the more you can strengthen the *bonâ fide* creditors against those who are mere creditors for the purpose of getting control over the assets I think the better for all concerned. I feel that having so recently had an opportunity of stating my views elsewhere, I am not justified in occupying your time in going over the same ground this evening. Mr. Smith concluded his paper by expressing a hope that this would be the last time when he would appear before us in the *rôle* of a bankruptcy reformer. I am sure I hope that that may be the case, but I trust that when he has relinquished the *rôle* of a bankruptcy reformer he will not relapse into idleness, but will take up some other problem and deal with it as ably as he has with this subject. I will now ask Mr. Smith to be good enough to reply, though I do not know that he will have much to say, as all the remarks have been of so laudatory a character.

Mr. Smith: I shall not occupy your time with any lengthened reply to the remarks which have been made, but with regard to what fell from Mr. Martin on the subject of securities, I should like to say that I entirely agree with him in the suggestion that the creditor should be at liberty to take over his security out and out in liquidation

of his debt. In fact, that was a suggestion which I embodied in the last paper which I had the honour to read here. One of the suggestions that I made was that the trustee should be permitted to call upon the creditor to realise his security, a provision which is inserted in this Bill, and to which I have taken exception; but I have taken exception to it because it is not accompanied by that condition which I attached to it when I proposed it, namely, that if a trustee calls upon a creditor to realise a security, the creditor should then be at liberty to become the owner of the security by becoming a bidder in the market. At present the creditor cannot become a buyer of his own security; as mortgagee he is prohibited from buying it. Therefore, I think the clause is particularly objectionable which compels him to throw it on the market and deprives him of the power of becoming a purchaser. With regard to one clause in my paper, I advocated that the trustee should be required to realise the property of a debtor with all convenient speed, I think perhaps that Mr. Martin has somewhat misunderstood the object of my remarks. I certainly did not intend to suggest that the trustee should be compelled to throw unmarketable property on the market at once. A reasonable time should be allowed. But I mentioned a particular case which I thought would illustrate what I meant better than any long statement, where a piece of land had been held for five years; and held with the avowed reason that it would probably improve in value. It has not improved in value; it has deteriorated in value. It is a piece of property in Yorkshire. £10,000 was offered two years ago for the property; it was refused by the trustee, to-day they could not get £8,000. The question was brought before the local courts, and the court refused to entertain it and said, "We have no jurisdiction." There is nothing in the Act which empowers us to interfere with the action of the trustee and the committee of inspection. All I contend for is that any creditor should be entitled to bring before the court any case of that sort, and to say that the delay which has taken place is unreasonable, and that the trustee should be required to realise with reasonable speed. I have no wish to suggest that property should be thrown with unreasonable speed upon the market. With regard to the remarks which fell from the gentleman here, and which were exceedingly interesting as throwing some light upon the working of the present Bankruptcy Act from what I may call an inner point of view, namely, from that of the accountants, although I agree very much with what he said, I dissent entirely from his conclusion. He said he thought it was a pity to alter the present law, but it seems to me that if the statement he made were correct it is high time the present law was altered. I do not know whether I quite understood him when he said that the present bill proposes to abolish the Debtor's Act.

Mr. LADBURY: No; it does not abolish it.

Mr. Smith: I thought I must be mistaken. Another remark he made, as I understood it, was to the effect that a firm which he represents wanted to have the power of releasing the debtor without examination. Now, although that may be the desire of that particular firm, I do not think that is the desire and the object of the community at large, and I for one regard that as one of the most valuable features of the present bill, that it insists on the examination of every debtor. Another remark was, that the creditors should have power to send a man into bankruptcy as they pleased. Well, that they have under this new bill. It is proposed that at the first meeting, as I explained, they should decide whether he was to be adjudicated a bankrupt, or whether a composition is to be accepted.

Mr. Ladbury: Without going into court?

Mr. Smith: No. The court will have to approve of the scheme as reasonable. I think this should be thoroughly understood. The reason why I advocate an appeal to the court in such cases is not that I think the interference of the court itself desirable, but that I think the majority of the creditors may act improperly, and often do act improperly; and that there ought to be a court of appeal to which any creditor may go, and on satisfying it that the scheme proposed is an unreasonable one he should have it upset, because you must bear in mind that after all, when creditors are brought together in bankruptcy, they are asked to surrender what is their natural right, namely, to claim 20*s.* in the £; and although I perfectly admit the right of a majority of creditors to say, "We shall release the debtor from our debts on payment of a certain sum of 5*s.* in the £," I entirely deny their right to release them from their debts due to the minority. You may release a debtor from a debt which is due to you, but you have no right to release him from a debt which is due to me except on a reasonable basis. Therefore I advocate an appeal to the court. It was also said that under the present Act a great deal of expense was incurred in punishing a debtor, which was often useless expense. As to that I entirely agree. You will be glad to know that under the new bill the creditors are not to be put to the expense of prosecuting the debtor, which is to be done at the public expense by the public prosecutor. Then with regard to solicitors' bills not being taxed, that also I have had some lamentable experience of. I can assure you that not only is it the case in the country, but it is also the case in London, that solicitors habitually neglect the taxation of their bills, and that in spite of the fact that under the existing law they are required to be taxed. Under the Rules of 1871 it is provided that every solicitor's account in a liquidation shall be taxed before payment; and I venture to say that although that rule must be known to the solicitors of the city of London, in not five per cent. of the cases of liquidation by arrangement are they so taxed. But this bill not only provides that the bill of solicitors shall be taxed as did the rule of 1871

but it provides the necessary machinery for seeing that it is done. That is why I am rather in favour of the official element. I do not look upon the official element as one which is to interfere with the rights of creditors, but as one that will assist in carrying out the Act. That is one of the duties which the official receivers will have to discharge, and the Board of Trade will have to see, that the solicitor's bill is taxed. I do not think there is any other point. I have only to thank you for the patience with which you have listened to me.

THE GOVERNMENT BANKRUPTCY BILL.

THIS Bill was read a second time in the House of Commons on March 19th, on which occasion the following remarks were made by the Right Hon. JOS. CHAMBERLAIN, President of the Board of Trade :—

Mr. CHAMBERLAIN said that in asking the House to assent to the second reading of the bill it was quite unnecessary to dwell at any length on the existing legislation relating to the subject. But he would point out to the House that there was a general concurrence among all authorities on the subject, both as to the defects in the existing law, and also to a very large extent as to the cause of those defects, and all that he need do then was to summarize the results of their experience of the existing law. He would say. then, that the Act of 1869 had favoured the debtors at the expense of the creditors, and had favoured that large class of the community which lived by preying upon bankrupt estates at the expense of creditors and debtors alike. It had made it easy for debtors by paying a small dividend, or no dividend at all, to escape from all their liabilities without any examination, and had stimulated extravagance and even fraudulent administration of estates in bankruptcy. The causes for those defects were almost as plain. They were, in the first place, that there had been in the present law no sufficient prevention, for there was in it nothing like an impartial or independent examination into the causes of each bankruptcy, and the conduct of each bankrupt ; but the examination, such it was, had been thrown upon the creditors, and they had been invited to throw away good money after bad. In the second place, the provisions for the punishment of misconduct had been altogether inadequate, and, moreover, the applications of those provisions, instead of being left with responsible authorities, had been left almost entirely to the creditors. And, lastly, the supervision and control of persons entrusted by the law with the administration of bankrupts' estates, was so inadequate and insufficient that they could practically do what they liked. So far, he could have the general voice of the House with him. In the first place he had to ask the House to keep in mind two main and at the same time distinct branches of any good bankruptcy law. He said, in the first place, they consisted in the honest administration of bankrupt estates with a view to the fair and speedy distribution of the assets among the creditors, whose property they were; and, in the second place, their object should be, following the idea that prevention is better than cure, to do something to improve the general tone of commercial morality and to promote honest trading. His next point was that with regard to these two most important objects, there was only one way by which they could be secured, and that was by securing in every case an independent and impartial examination into the circumstances; and that was the cardinal principle

of this Bill. He was quite sure that such an independent examination as he had proposed was absolutely of the essence of any satisfactory reform in the law of bankruptcy. What happened when a bankruptcy took place which might easily cause misery to thousands of people? It was treated as if it were entirely a matter of private concern, and was left as though it were merely to be a scramble between the debtor and his advisers on the one hand, and the creditors on the other. Meanwhile, public interests were ignored, as there was nobody to represent them, and the practice which was followed in the case of other calamities was in that case entirely abortive. In the case of accidents by sea and by land, railway accidents for instance, it was incumbent upon a Government department to institute an inquiry. There were inquiries in the cases of accidents in mines and of boiler explosions; and, sad as these disasters were, they did, not in the majority of cases, cause so much misery as bad bankruptcies, and ruin so many families by carrying off the fruits of their labour and industry. Who was to object to inquiry? Certainly not the honest debtor. There might be many men reduced to bankruptcy by circumstances beyond their own control, by unavoidable misfortune and without their having been guilty of any misconduct. Men in such a position ought to be the first to desire and claim full inquiry into the circumstances of their cases, in order that they might go again into the world acquitted by the verdict of a competent court of anything which could cast a stigma upon their character. No objection was likely to be taken by creditors generally, or by the commercial community as a whole. It was their desire at all events that bankruptcy should not be the easy and profitable mode of escape from all the difficulties of trading which it was at present; and he could conclusively establish that they had come to the conclusion that although insolvency was not necessarily a crime, yet it indicated a state of things which required explanation and inquiry. The only people who were likely to object were the creditors in the cases of particular estates. There had been cases in which creditors had desired to hush up transactions which did not do them much credit, or because they had the hope that they might, in some small degree, increase the dividends they were to receive by compounding for the misconduct or condoning the negligence or the rash and wilful extravagance of which the bankrupt might have been guilty. But these were cases which did not deserve the sympathy of the House; and it was not for the benefit of creditors in such a position that it would interpose to prevent inquiry which on other grounds were clearly desirable. If these principles were granted, the machinery of the Bill would be found to follow as a matter of course. The hon. member for Mid-Lincoln (Mr. Stanhope) had given notice of an amendment to the effect that the House was not prepared to intrust the powers proposed in the Bill to any department of the Government. Until he had heard the speech of the hon. member he did not like to put any interpretation upon the amendment; but it seemed to be inconsistent with the urgent pressure put upon the Government to establish a Ministry of Commerce. It appeared to be desired on both sides of the House that everything should be done to give importance, authority, and influence to the department which was charged with the control of commercial interests; and yet the House was asked practically to pass a vote of want of confidence in this department, and to declare that it was totally unfit to be be trusted with ordinary matters of commercial administration. The hon. member was in this dilemma—either he was in favour of impartial

and independent inquiry or he was not; if he was not, he was setting himself against what was almost the unanimous opinion of all the great authorities on the subject. It was the opinion of those who had had most experience of the administration of the bankruptcy law—of the Controller in Bankruptcy, who in his admirable reports had called attention to the scandal of the present system; of the Incorporated Law Society; of the Institute of Accountants; of the Committee recently appointed by the Associated Chambers of Commerce; of the London Chamber of Commerce, and of the London merchants and bankers generally—who, in an influentially-signed memorial presented to the late Prime Minister in 1879, said, that one of the great defects of the present system was the ability of bankrupts to get a speedy discharge without being subjected to any efficient investigation of their affairs or of the conduct and proceedings which had led to the bankruptcy. They added that the present law was rendered practically nugatory because it threw on those who had already incurred losses the investigation of the bankrupt's affairs, and the obligation of exposing misconduct which, in the interest of public morality, should be dealt with, not as a private matter, but by a public court and judge. Either the hon. member was in favour of such inquiry as was proposed or he was not. If he was not opposed to inquiry he would hardly find any way of carrying it out effectively and to the satisfaction of all concerned, except the way proposed in the present Bill. The conduct of such inquiry could not be left to the creditors. Nothing was more clear than that creditors would do hardly anything even where their own immediate pecuniary interests were concerned. That was the constant complaint of the Controller. Traders had told him that they were no more likely to attend to the business of administering bankrupts' estates than they were to carry their own parcels. It was not worth their while to undertake these duties on their own account; and *à fortiori* it was not worth their while to undertake them on the part of the public. The business could not be left to the Court without assistance. A Court sat to decide questions that were brought before it; but it had no initiative power of its own. Unless the initial proceeding was intrusted to a public official, the work would not be done. The failure of former Acts to secure anything like an adequate investigation into the affairs of a bankrupt was due entirely to the fact that what inquiry there was was left to the Court and the creditors, and no public officer was appointed to assist them. In throwing the duty upon a public official, who would be under the directions of a responsible department, which acted in the full light of publicity, and was responsible to the public and to this House at every stage of its proceedings, the House would be acting according to analogy in the case of other inquiries, like those relating to accidents at sea and on railways and to boiler explosions. It was made incumbent on the Board of Trade to see that inquiry was held in every case of accident on railways and at sea in which evidence could be collected; and it was an official of the Board of Trade who constituted the Court. In the case of explosion, the responsibility was thrown upon the Home Office. The inquiries held had thrown floods of light on the questions raised, and no one had impugned the discretion of the departments that had conducted them. In the Bill the official upon whom the important responsibility was to be cast was called the Official Receiver. There was some reason for supposing that there would be a diminution of bankruptcies under the new system; and careful calcucation

having been made of the probable number in each district, it was probable that not more than 60 officials would be required, and that would include inspectors, who would supervise the operations of considerable areas. These would not all be new officials. In many cases registrars and high bailiffs would have time to attend to the business. Their experience would be valuable, and their interest in both their present positions and the new one offered security for their efficient administration of the new scheme. The new appointments would probably be small in number, and the expense of these officers would probably be £50,000 per annum, exclusive of some additions to the cost of the Board of Trade and to the Audit Department under the Controller in Bankruptcy. The cost of these three additions would be met by the fees on petitions. The fee in the case of every bankruptcy petition would be the same as now levied in cases of bankruptcy—£5 for each case, and also with the addition of a small percentage to the sum already charged upon the assets collected. He would not pledge himself to exact figures, but his belief was that the requirements of the case would be satisfied by some fractional addition—say a quarter per cent.—at all events so small an amount in comparison with that administered in bankruptcy that he need not take it into account. In addition to those sources of revenue, he expected to obtain in the shape of interest on the aggregate balance that would remain in the hands of the Government if the amounts now paid to trustees were paid to the Bank of England—an aggregate balance of something like £1,000,000—from £25,000 to £30,000 more, and that with the other sources of income would amply provide for all the new expenses that he contemplated under this Bill. Now, the duties of the official receiver would be of a very important character. The primary duty of this receiver would be—first, to investigate the conduct of the bankrupt, and the circumstances that had led to the bankruptcy. In the second place, he would have to conduct the examination of the debtor before the Court, and in the third place, to report to the Court when the Court was called upon to consider the question of discharge, both as to any proposition for the settlement of the debtor's affairs, and also as to any misconduct on the part of the bankrupt which might have been disclosed in the course of the proceedings. He anticipated that this officer would be in some sort a public investigator, and also a public prosecutor in a certain sense. If suspicious circumstances should come to the knowledge of any person concerned in the administration of the estate, and he was himself unwilling to prosecute an inquiry into them, he would only have to communicate the facts to this officer, and it would be his bounden duty to see that a full and complete investigation was made into the matter. Those were duties, then, which the officer would be called upon to perform in the interests of the public, in the interests of commercial morality, and in the interests of the commercial community generally. Having got an officer of this kind—an officer who by the very necessities of the case must be well-informed—they had thought that they might be able to utilize him for the benefit of the creditors in each particular case ; and accordingly, it would be his business before the first meeting to receive from the bankrupt a statement of his affairs, to send a copy to all the creditors, to issue forms of proxy on a prescribed form for this first meeting, and above all, what was extremely important, to issue to all the creditors a report of any proposal for composition or liquidation which might be made by the bankrupt. Now it would be seen that the provision which he had described constituted a system which he

thought they might fairly call a system of official inquiry, and which went on all fours with a similar system in the matter of accident to which he had referred. He did not think that without some such limited officialism as this any satisfactory inquiry was even possible. No investigation could be worth anything unless it was conducted by an independent and impartial officer. This officer would not only be subject to the Board of Trade, but he would also be under the control of the Court, because in every case it was proposed that the official receiver should be made an officer of the Court. The proposal was a new one, so far as bankruptcy legislation was concerned, but he was convinced that any attempt to do without him and to throw on the Court unassisted the duties which it was proposed should be discharged by this officer would only make the Bill nugatory, and he could not be a party to propose legislation which would, he thought, turn out to be nothing less than a farce. He now came to consider the second of the two objects which he had said they had in view in bankruptcy legislation—the honest and economical administration of the bankrupt estates. There he had had to consider a very important question, and it was whether this limited officialism which was proposed in this Bill, should have given to it a very much wider scope. It was admitted, he believed, on all hands, that there must be in the administration of estates something in the nature of official supervision of the trustees and of the persons employed; but the question he had to consider was whether they could confine themselves to official supervision, or whether they could go as far as official administration. There were undoubtedly a great number of authorities who were in favour even of official administration. It had often been stated that officialism had been tried in bankruptcy in connection with previous legislation, and that it had entirely failed. But he was sure that everyone who knew anything of the subject would agree with him that the officialism of previous Bills differed altogether from the officialism now proposed, and, therefore, the fact that it had previously failed was no argument to assume that it would fail in this case. It would be really instructive at this stage to see what had been the history of previous legislation in reference to this part of the subject. Before 1831 creditors might be said to have had full control of the administration of bankrupt estates. On all hands, the most general dissatisfaction was expressed with that state of things, which was no other than a chaos. In 1831, an Act was passed, which was known as Lord Brougham's Act, and which, for the time, introduced a system of official administration. In the first instance it introduced it in a very limited form, and to a very limited extent. It introduced a class of officials who were known as official assignees attached to the London Bankruptcy Court, and not to the Courts in country districts, and to those officials was given practically the control of the administration of bankrupt estates. In 1840, after this official system, which, as he had already pointed out, went very much further than his bill, and was different in its object, had been in existence for nine years, a Royal Commission was appointed to consider the subject of bankruptcy, and this Commission recommended the extension of official assigneeism to the country generally. In 1842, the system was accordingly extended with general approval; indeed, there was a chorus of congratulations on the extension of the system, which was now said to be universally

condemned. In 1847, sixteen years after the first introduction of the system, there was a Select Committee, which reported unanimously in its favour. In 1849 there was another Select Committee of both Houses, which deal with other branches of the subject, but which, in reference to this matter of official administration, made no complaints whatever, and the Act which followed on their report confirmed those officers in their functions. It was not until 1861, thirty years after the first institution of those assignees, that the system was generally condemned, and an Act was passed which very much limited their duties, and practically reduced them to nonentities. In 1864 there was a celebrated Committee which reported entirely against the system, and advised that official assignees should be totally abolished, and in 1869, to complete the history, they were accordingly totally abolished, the public entered once more on a system of voluntaryism, which again led to absolute chaos and gave general dissatisfaction. What he pointed out to the House as significant and as worthy of observation was this—that the only system which gave any satisfaction at all, and that only for a limited term of twenty years, was the official system. He had been led to make inquiry in order to ascertain how it was that this system, which was so popular at first, which was shortly extended, which was confirmed and approved by repeated committees and commissions, should yet, in a period of twenty years, have become unpopular, and after a period of thirty years have been generally considered unsatisfactory. The reason was this: In the first place the system was under the Courts, and not under a responsible authority; and if the hon. member for Mid-Lincolnshire had thought that it would be possible to suggest that the official duties connected with this Bill should be placed under the Courts, he would beg him to give consideration to the experience which was to be derived from the working of the Act of 1831. Under the Courts it was found impossible to exercise anything like a proper supervision either over the appointment of the official assignees or over the performance of their duties. The Courts were not a department which could possibly, with any credit to themselves or with any satisfaction to the public, supervise a complicated administration. What happened was this:—in the first instance, the asignees, who, he must say, were always too numerous, were selected with the greatest possible care. The judges who were appointed, and also selected with great care, took an immense interest in the new measure, and went altogether outside their ordinary duties—the ordinary scope of the functions of a judicial court—and they watched most carefully the operation of the new measure. But in the course of time things became relaxed. The appointments were much less scrupulously looked after; indeed, he believed it was not too much to say they were in many cases notoriously obtained by jobbery. The result of that, naturally, was great carelessness and negligence, and in one or two very flagrant cases gross peculation. And under these circumstances it was a great public scandal, which contributed undoubtedly to the unpopularity of the system and led to its abandonment. After having studied the matter very closely, the inference might well be drawn whether it would not have been advisable in 1869, instead of abolishing this system of officialism altogether, to have contrived to reform it and purify it from its abuses. It might be said under these circumstances—why then do you not restore this official system of administration in the proposals which you have brought before the House? Well, one strong reason that

weighed with him had been that in his view public opinion was not ripe for such a change, and, therefore, it would reject, or would not receive with favour any proposal to go back so completely to the system instituted by the Act of 1861. He was further confirmed in this opinion by the reflection that at all events it was not an obligation which was cast upon the State to assist to save the pockets of creditors in this matter. The Government were bound to secure, if they possibly could, honest dealing on the part of all persons engaged in this administration, but having taken all the precautions they could for that purpose, he was not aware that they were called upon to go further and benefit creditors in some cases, perhaps, against their will. Therefore, the principle which he had adopted, was that the distribution of the assets of a bankrupt estate was primarily the duty of the creditors themselves, and he had accordingly limited official interference to the supervision which was necessary for the protection of a minority of creditors, and in order to secure fair treatment on the part of all the persons employed in the administration of the estate. Therefore, having gone back, whether for good or evil, to the official system of 1831, he ventured to say it would be found by anyone who would carefully examine the provisions of the Bill now before the House that under it creditors would have more complete and effective control over the management of their estates than ever they had before. He would summarize three points to which he would ask the assent of the House. The first point was that there should be in every case a public inquiry into the circumstances that placed a man in a position in which he comes to the law and asks to be relieved from obligations which he has voluntarily undertaken; the second proposition was that there must be a public official to conduct this inquiry; and his third was that if you want to have any hold over this public official and make him fully responsible you must place him under the direction of one of the departments of State, which is in its turn responsible to public opinion and this House. He would ask the House next to consider the procedure in detail under this bill. In the first place, he called attention to a very important change which distinguished this bill from that which he put forward in 1881. In the bill of 1881 there was only one proceeding—in every case, an insolvent would have to be declared bankrupt, although a power was reserved to the Court to annul the bankruptcy at a subsequent stage, if it should be of opinion that the bankruptcy had been caused by misfortune and not by misconduct. But objections of great weight and importance were urged that this was rather to harsh—even apart from certain liabilities scattered up and down our law—it applied the stigma which must of neccessity attach in all cases to the title of bankrupt to persons whose only fault was their misfortune. Taking all these matters into consideration, he had thought it desirable to provide a preliminary stage, which he called the making of a receiving order which might or might not ripen into bankruptcy according to the circumstances of the case. On proof of the facts stated in a creditor's petition, or on the presentation of a petition by the debtor, the Court was to make a receiving order. The receiving order would have the effect of an adjudication in bankruptcy as far as regards the staying of all proceedings, but, as he had said, would not necessarily eventuate in bankruptcy. The debtor was called upon immediately to submit a statement of his affairs to the receiver, who was instructed to forward a copy to all the creditors, and to summon the first meeting of creditors. At the first meeting, which must take place after seven days' notice, the creditors might

at once decide to make the debtor a bankrupt, or they might resolve to entertain a proposal from the debtor to offer a composition or scheme of arrangement. If this proposal was entertained, it would be submitted to a second meeting, which, however could not be held until after a public examination of the debtor, which was imperative in every case. He was instructed to make a report upon the terms of the composition or scheme of arrangement which the debtor had submitted. The determination at either meeting must be by a special resolution carried by a majority in numbers and of three-fourths in value of the creditors present or by proxy. These proceedings must be submitted to the Court, which stood there as the guardian of the interests of the minority of creditors who might disapprove, and of the interests of the public generally, whom it profited to have a full investigation into the circumstances. The Court, which would have before it all the facts, would be entitled to refuse the proposal altogether, either if it thought it to be in itself unreasonable or if it held that it was not for the benefit of the general body of creditors; or, lastly, if the conduct of the debtors had been such as to justify the refusal; or to suspend his certificate of discharge. If the creditors should decline the proposal for a composition or scheme of arrangement, and if the creditors should have decided that the debtor should be made a bankrupt, in either of those cases would the adjudication of the bankrupt be made. There followed upon this that the bankrupt would be disqualified within 12 months for sitting in either House of Parliament. He would be disqualified immediately from acting as a Justice of the Peace. He would also be disqualified from acting in many public and municipal offices; and he confessed it was a fair question for consideration in Committee whether as in some foreign countries he should not likewise lose his electoral rights. But all those disqualifications might be removed if at any subsequent period the bankruptcy should be annulled, or if he should obtain from the Court a certificate that his bankruptcy had not been caused by misconduct, but was entirely due to misfortune. After the bankruptcy was resolved upon, the creditors would be called upon to appoint a trustee. The trustee must give satisfactory security, and the Board of Trade might object to the trustee whom the creditors selected, but they must only do so on the following grounds:—That the appointment had not been made in good faith; that the person selected was an unfit person to be a trustee; or that he was connected with the bankrupt and his estate in such a way as to make it difficult for him to act impartially in the matter. In all these cases of objection, there would be an appeal allowed from the Board of Trade to the Court, if the trustee desired it. There were a number of provisions intended to secure the proper administration of the estate by the trustee. He was not to be permitted to employ a solicitor or other agent without the consent of the creditors. As to the remuneration, there was a change in the present bill from what had been proposed in 1881. In 1881 he had followed the bill of the late Attorney-General, Sir John Holker, who introduced a scale of remuneration applicable to every case. He found it impossible to provide a scale which should be adequate in all cases without being excessive in some. There was not only a difference in small cases, but there was a difference between simple cases and those which involved complicated questions of law. He had, therefore, resolved to leave that question to the creditors, subject to two provisions—first, that part of the remuneration should be by way of commission, partly on the amount realized and partly on the dividend paid;

and, secondly, that the creditors should have an appeal to the Board of Trade in cases where they thought the remuneration extravagant. No costs were to be allowed to a trustee for duties performed by other persons which lay ordinarily within his province. All bills were to be taxed, and all moneys paid into the Bank of England, except in special circumstances, as, *e.g.*, the carrying on of a business which might require a different course to be taken. Then came a provision to which some exception had been taken; and that was that the creditors might, if they chose, appoint the official receiver their trustee. It would be a hard thing if the official receiver, and he alone, should be precluded from being a trustee in bankruptcy. No doubt, in the great majority of cases, the creditors would prefer to choose a trustee whom they knew, and who from local and other circumstances was specially suitable for the office. But in small estates it might often be desirable to appoint the official receiver. The bankrupt might at any stage apply for his discharge. But the application was not to be heard till the examination oi the bankrupt was concluded, and at the time of hearing the Court must have before it the report of the receiver, to which he had referred, which was to contain a statement with regard to the conduct of the debtor. The Court, having those particulars before it, might refuse or suspend the certificate or grant it, subject to any conditions, both as to after acquired property. and other matters which it might think right to impose; and regard was especially to be had to the following circumstances:—First, whether or not the dividend had been less than 10*s*. in the pound; secondly, if the bankrupt had kept proper books; thirdly, if he had continued to carry on trade after he knew himself to be insolvent; fourthly, if he had engaged in speculation or lived extravagantly; fifthly, if he had put forward frivolous defences to actions by creditors; sixthly, if he had shown undue preference to particular creditors; seventhly, or if on previous occasions he had paid less than 10s. in pound to his creditors. It would be impossible for the Court in all cases to have every important circumstance before it, but those were the principal facts which required investigation. But if the Court should be of opinion that the debtor had been guilty of misconduct, amounting to misdemeanour, it might commit the debtor, or make an order for his prosecution. In the latter case, the Director of Public Prosecutions should be directed to take up the prosecution, and to maintain it on behalf of the public, and not to leave it to the action of individuals. With reference to those matters it was necessary to consider what would be the position of an undischarged bankrupt. Under the present law, it seemed to be a matter of perfect indifference whether an insolvent had obtained his discharge or not. In the comptroller's report for 1881, out of 5,207 bankrupts, only 606 had applied for their discharge. Of these now who were absolutely entitled their discharge, only about one-third thought it worth their while to go through that form. That state of things was a disgrace and a scandal to our law. Under the Bill before the House, if it became law, it would be a much more serious thing not to obtain a discharge. The bill made it a misdemeanour for an undischarged bankrupt to obtain credit to the extent of £20 without stating what his position was The bill was a Consolidation bill, and, consequently, there were a number of provisions which were not in the bill of 1881. In the first place, the proposals of the bill of 1881, with regard to the London Bankruptcy Court, were practically renewed in the present measure. There was a change which he believed would be satisfactory and would excite a large amount of interest in a technical matter—

that was the valuation of securities—*e.g.*, the endorsement of bills. By the bill of 1881, the value of all the endorsements other than that of the debtor was to be estimated. Now, only those endorsements which were antecedent to those of the debtor were to be taken into account. The principle was clear—*e.g.*, if A lent money to B, and C guaranteed the debt, A was not to be called upon to put a value upon C's guarantee. All he had done with respect to bills was to assimilate them to all other kinds of securities. He had been largely influenced on that question by a deputation which had waited upon him of London and County bankers, and he believed the alteration would be found generally satisfactory. There was another question upon which he expected there would be considerable difference of opinion, and that was the question of certain preferential claims. In some small estates the assets were swallowed up by those preferential claims, which were of four classes:—First, for wages due for a certain period prior to the bankruptcy; secondly, the landlord's claim for rent; thirdly, Imperial taxes; and, fourthly, local rates. He proposed that all those preferential claims should be done away with, except the first. He would submit that all the three latter claims ought to stand on the same footing. He did not think that the State could be expected to forego the advantage it now enjoyed in favour of the landlord or the local authority. He was much gratified, although somewhat surprised, that the Treasury made no objection to his suggestion. But he could not but feel that in the case of bankruptcies, the claim of the individual creditor, to whom the bankruptcy was a very serious matter, ought to be regarded before that of the State, or a local authority. In the second place it appeared unfair to other creditors that there should be sprung upon them, after the bankruptcy, preferential claims of which they could by no possibility have had notice. In the last place, he had adopted his proposal because it seemed to him that the preferences now granted tended to bad and negligent administration by all the three classes to whom he had referred. For these reasons he had thought it right to raise this matter for discussion. It was not a question of principle, and the decision upon it would be in the hands of hon. members when the bill was in Committee. He hoped he had now made clear to the House the general scope and operation of the measure in all ordinary cases, and it only remained for him to call attention to one important provision which was entirely new. He alluded to the provision which would affect the procedure of Courts of Law with regard to small debts, and which had a very important bearing on the interesting question of the total abolition of imprisonment for debt. He had retained in the bill the provisions of the bill of 1881 for the summary administration of small estates having less than £300 of assets. But what he now desired to call attention to was the clause which followed, and which dealt with the case of debtors who owed less than £50. That was the class of debtors who filled our County Courts with plaints, and added very considerably to the number of the occupants of our gaols. It had always been felt to be a great hardship that while a large debtor could with ease relieve himself of all his liabilities, he or his trustees might be prosecuting a poor man for 30*s*. or 40*s*. The latter might be sent to prison without having any means provided for him to make a composition with his creditors, and when, after satisfying this debt, he came out of gaol he was still liable in full to all his other creditors. What the Bill proposed to do was to redress this inequality in two different ways. In the first place, by the provisions to which he

had already called attention, he had made it more difficult for a large debtor to escape from his liabilities, and his discharge being made conditional with regard to to after-acquired property, he would stand in exactly the same position as the workman whose wages might be arrested for the payment of any fraction of his debt. But the more important provision which he had made for dealing with this subject was that under which a County Court Judge might in future, make an order for the payment by a debtor who owed less than £50 by instalments or otherwise, and of all or any part of his debts. A debtor who was brought up on a judgment summons or a County Court plaint might state that he was indebted to other persons, might give in a schedule of his debts, and propose an arrangement for discharging them, and if the Court thought it reasonable it might at once confirm it, so that a small debtor would then be in exactly the same position as a large debtor who had succeeded in making a composition with his creditors, or in arranging for a scheme in liquidation. Although he had not abolished in all cases imprisonment for debt, yet if these provisions became law it could be no longer said that any inequality existed in the law as between rich and poor. He did not think there was anything else at this stage to which he need call the attention of the House. He had to thank the House for the patience with which they had listened to his statement. This was not a matter which could be considered as a very exciting one, or one which was generally interesting. It did not lend itself to flights of eloquence, but it was a question which had a deep interest for great masses of our people, and especially for the great body of industrious tradesmen, who saw with natural indignation that under the present system swindling was made so easy, so safe, and so profitable, that they often found their hardly-won earnings wrested from them by the fraud and culpable misconduct of others, and who felt a somewhat natural impatience that the Legislature should have done so little to remedy a grievance which had been so long and so universally felt. He claimed for this bill, that it was at all events a carefully considered attempt to deal with these great evils, which in his opinion had done a great deal to undermine our commercial reputation and to discredit our commercial capacity; and he bespoke for the measure what he felt assured it would receive at the hands of the House—a fair, a full, and even a favourable consideration.

On the same occasion the Bankruptcy Bill (No. 2), which had been introduced by Sir John Lubbock, was also read a second time.

On March 20th the Government Bankruptcy Bill was referred to the Standing Committee on Trade, Shipping, and Manufactures, and on the same occasion the Bankruptcy Bill (No. 2) was also referred to the same Committee.

THE RESUMPTION OF SPECIE PAYMENTS IN ITALY.

The following is a translation of the decree fixing the date of the Resumption of Specie Payments, which has been published in the Official Gazette :—

HUMBERT 1ST.,

By the Grace of God, and by the will of the nation, King of Italy.

Considering :

The law of 7th April, 1881, No. 133 (3rd Series) which provides for the abolition of the forced currency.

The regulation approved by the Royal decree of 16th June, 1881, No. 253 (3rd Series.)

The law of 1st April, 1879, No. 5,061 (2nd Series), and the Royal decree of the 24th September, 1868, No. 4,633.

By the advice of our Cabinet Council.

On the proposition of the Minister of Finance, having the interim of the Treasury and of the Minister of Agriculture, Manufactures, and Commerce.

Have decreed, and do hereby decree :

Art. 1.—The exchange for metallic money of notes to the debit of the State, in terms of and in accordance with the law of the 7th April, 1881, No. 133 (3rd Series), will commence on the 12th April, 1883.

Art. 2.—On the day appointed in the preceding article, notes of 50 centimes, of 1 and of 2 francs, will be exchanged at the request of the holders for silver coin respectively of 50 centimes, of 1 and of 2 francs, at all the State treasuries, in accordance with Article 72 of the regulation approved by the Royal decree of 16th June, 1881, No. 253 (3rd Series), and with those contained in Article 3 of the present decree.

Notes of the denominations of 50 centimes, of 1 and of 2 francs, for whatsoever reason they may be received by the Treasuries, shall not be again put into circulation.

Art. 3.—The notes mentioned above having been withdrawn and exchanged, shall be transmitted by the Treasuries to the special office instituted by Article 34 of the regulation of 16th June, 1881.

To provide for the receipts handed over by the special pay office, and bearing the visa of the delegate of the audit office (Court of Accounts) at the said office, the Central Treasury will be entrusted with the operations of which mention is made in Articles 81 and 86 of the regulation of 10th June, 1881; the presentation to the respective section of exchange, of the receipt of the special pay office in place of the statement of particulars against the voucher for the corresponding effects.

Notes of the denomination of 5 francs and upwards will be exchanged for legal gold and silver money at the request of the holders, by the Central Treasury at Rome, by the provincial Treasuries already authorised at Bari, Bologna, Cagliari, Catania, Florence, Genoa, Leghorn, Messina, Milan, Naples, Palermo, Turin, Venice, and Verona, and by the others which may be further authorised in accordance with the terms of Article 5 of the law of 7th April, 1881, with the following formalities:—

(*a*.) For notes of 5 francs to the extent of 105,400,180 francs, and for those of 20 francs and above, the exchange will be made by the Sections of Exchange, of which mention is made in Article 74 of the above-mentioned regulation.

(*b*.) For notes of 5 francs, remaining in circulation after the withdrawal of the sum above-mentioned, and for all 10-franc notes, the exchange will be made, without the intervention of the Sections of Exchange, by means of the funds at the disposal of the Treasury.

Art. 5.—Within five years from the day named in Article 1, the notes of the ex-syndicate of 5 francs and of 10 francs will also be exchanged at the request of the holders, at all the Treasuries of the Kingdom, for state notes of the description, and bearing the distinctive marks set forth in Articles 43, 44, 45 and 46 of the Regulation of 16th June, 1881.

For the purposes of this exchange, state notes of 5 francs or 10 francs may be used indiscriminately.

Art. 6.—The notes of the ex-syndicate (*gia consorziali*) of the denomination of 5 francs and above, in use and recognised as good, will be exchanged at the authorised Treasuries for metallic money in accordance with Article 4 of the present decree.

The said notes will continue to be exchanged at the other Treasuries by means of the current funds.

The notes in use presented for exchange at the unauthorised Treasuries will be forwarded to the special pay office in accordance

with the formalities prescribed by the Regulation of 16th June, 1881, and the exchange will be made in the following manner:—

For notes of 10 francs and of 5 francs remaining after the withdrawal of the 105,400,180 francs, fixed by Article 6 of the law of 7th April, 1881, the special pay office will supply the Treasury with State or Reserve notes, in accordance with Article 7.

For notes of 5 francs up to the said sum of 105,400,180 francs, and for those of the denomination of 20 francs and above, exchange will be made in metallic money at the central Treasury, in conformity with Article 3 of the present decree.

Art. 7.—Until the manufacture of the 10-franc State notes shall be terminated, the notes in use of the ex-syndicate of the said denomination, recognised as good, may be replaced by the Treasury, by others of the same denomination, out of the reserve (*di scorta*), of the description and bearing the distinctive marks approved by Royal decree of 25th December, 1881, No. 553 (3rd Series).

Art. 8.—The State notes referred to in Article 5 will be convertible into coin at the authorised treasuries. They will be of the denominations of 5 francs and of 10 francs, in the following proportions:—

10-franc notes,	24,000,000.	Francs, 240,000,000.
5-franc "	20,000,000.	Francs, 100,000,000.
Total	44,000,000.	340,000,000.

The series and the number for each series of notes to be put into circulation for the purposes of the exchange prescribed by Article 8 of the law of 7th April, 1881, will be determined by Ministerial decrees.

Other ministerial decrees will also determine the Series and the number of the notes which shall be issued as reserve, for the exchange at all the Treasuries of the notes in use which may not again be put into circulation.

Art. 9.—The exchange for metallic money at the authorised Treasuries shall continue during four hours of each business day.

The administration of the Treasury after consultation with the Chambers of Commerce, will determine for each of the above-named Treasuries at what hours the exchange shall be effected.

Art. 10.—From the day named in Article I., the Custom dues can be paid in notes to the debit of the State, or in metallic money to the exclusion of subsidiary coins beyond 100 francs for each payment.

Art. 11.—The silver coins of 20 centimes of the standard of 1835, will cease to have legal currency in the kingdom on the 1st August,

1883, and may, in consequence, from that period, be refused by private individuals, as they will be by the public offices in payment of sums due to the State.

From the 1st August to the 31st December, 1883, the said silver coins of 20 centimes will be exchanged at all the Treasuries of the kingdom for subsidiary silver coins of the same standard, excepting for sums of less than 50 centimes, for which copper money will be given.

The proportions of the subsidiary silver coins will be as follows:—

51	millions	in pieces of	2 francs.
68	,,	,,	1 franc.
51	,,	,,	50 centimes.

We Order that the present decree, etc.

Given at Rome, the 1st March, 1883.

HUMBERT.

MAGLIANA.
BERTI.
ZANARDELLI.

THE GOLD COINAGE.

THE Committee appointed in accordance with the resolution of the meeting held on February 21st, have passed the following resolutions, and in pursuance thereof have drawn up the circular, which is also here given, and which, with the annexed forms, it is proposed to send out to every bank in the United Kingdom :

1.—That a Circular be sent to every provincial Bank, inviting them to return to their London correspondents the aggregate amount of Gold held by them at their Head Office, and at their Branches, on the evening of April 30th, 1883.

2.—That each London bank which has country or clearing correspondents, or branches, be invited to received from their country correspondents a return, stating the total amount of Gold held by them on the evening of April 30th, 1883.

3.—That each London Bank be invited to add together the amounts so returned, with the addition of their own holdings at the same date, and to forward the same to this Committee, stating at the same time, the names of those Banks whose returns are included in such total.

4.—That such London Banks as are not included in the above, be invited to make a similar return on their own account.

INSTITUTE OF BANKERS,
11 & 12, CLEMENT'S LANE,
LONDON, E.C., *April*, 1883.

DEAR SIRS,

Having been appointed by the Council of the INSTITUTE OF BANKERS as a sub-committee to consider the present condition of the coinage, we enclose a copy of the resolutions agreed to by us on the subject.

The progressive deterioration of the gold coinage must be well known to you. We feel also sure that you will heartily concur in the desirability of impressing on the Government that the expense of the re-coinage, and the loss by wear and tear, should not be charged on the last holder, and we need hardly point out the obvious advantage both to the Banks and the public if the gold coinage were placed on such a footing that the gold in ordinary circulation could be readily paid into the Bank of England. This inquiry is made with the view of giving distinct information to the Government as to how much gold coin is held by the Banks.

We enclose forms available for making the return, which we will ask you to complete, including your branches, if any, and to forward either to your London or Clearing Agent, or to ourselves. You will see that except in the latter case your return will not be divulged to us, and in any event it will be treated as confidential.

JOS. HERBERT TRITTON, *Chairman* ...	Barclay & Co.
HENRY FARNCOMBE BILLINGHURST ...	London & Westminster Bank
WILLIAM HOWARD	London & County Bank.
JOHN LUBBOCK	Robarts & Co.
JOHN BIDDULPH MARTIN	Martin & Co.
ROBERT HARRY INGLIS PALGRAVE ...	Gurney & Co, Great Yarmouth.
RICHARD BLANEY WADE	National Provincial Bank of England.

No.

INSTITUTE OF BANKERS' COINAGE COMMITTEE.

SCHEDULE returned by ____________________

Names of Banks.	Head Office or Correspondents.	Branches.
TOTAL BANKS ...		

TOTAL GOLD HELD BY THE ABOVE BANK.

No. of Banks.	Sovereigns.*	Half-Sovereigns.*	TOTAL.

* It is desirable, though not essential, that the number of Sovereigns and Half-Sovereigns be returned separately.

No.

Return of TOTAL GOLD COIN held on 30th April, 1883.

To be returned to Head Office, London Agent, Clearing Agent, or Institute of Bankers (Coinage Committee), 11, *Clement's Lane, E.C.*

From	*To*

	SOVEREIGNS.*	HALF-SOVEREIGNS.*	TOTAL.
Total Gold Coin held by Head Office and Branches			

* It is desirable, though not essential, that the number of Sovereigns and Half-Sovereigns be returned separately.

The Committee trust that a cordial co-operation on the part of the various banks will render the returns as complete as possible.

NOTES ON RECENT ADDITIONS TO THE LIBRARY.

The Key to the Position and Progress of the London Joint Stock Banks. By Arthur Crump.*

In a handsome quarto volume, adorned as to its cover with a gilded representation of the building of the Bank of England in 1736, Mr. Crump has given statements, drawn from the balance sheets of the various London Joint Stock Banks, 66 in number, which show in convenient tabulated form, their position and progress during twenty-one years—from 1860 to 1880. From time to time various results of the working of Joint Stock Banks, and combinations drawn from them, have been given to the world, and the names of Mr. Inglis-Palgrave, Mr. John Dun and others, will be familiar to many in connection with such studies; but it is believed that the figures, in the simple form in which they are now collected, have not yet been published, and many will be inclined to agree with Mr. Crump, when he says that "the array of totals," which are placed before the reader "will convey more meaning than any sized volume of exposition, explanation, or deduction, which is unaccompanied by the figures." He leaves the reader, in fact, to deduce for himself the moral which the twenty-one years' record of each bank, baldly stated, will yield upon examination. In this part, the main part of the book, there is no comment. In a single open page, with a suggestive blank page for its continuation, there stand the results of the working of each bank, so clearly exposed that they may be seen at a glance: the increases of capital, the deposits it has held, the employment of those deposits, the expenses, the profits it has made, and the dividends it has paid. Although, however, these records appear so simple, and to the casual observer consist only of extracts from the balance sheets of the several companies, only those who are aware of the very various forms in which these documents are drawn up, and have made the attempt to reduce them to a system, can properly appreciate the patient labour and knowledge of the subject which such a work involves. There still appear to be several heads under which it is impossible to obtain similar information from different banks.

The work consists of three parts, there being, besides the sixty-six tables referred to, an introduction, in which Mr. Crump draws from them a general view of banking prospects, and the various changes

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* Effingham Wilson. Royal Exchange.

which are forced upon banking business by the changing events of the time, and a diagram, showing the variations in the deposits held by the bankers whose accounts are given, with remarks founded upon it.

As has been remarked, the tabular statements, without being actual reproductions of the various balance-sheets, give the chief items on both sides of the balance-sheet of each bank for a period of twenty years, without comment. From language in the introduction, where it is said "care has been taken to avoid anything like the publication of marginal notes explaining the causes of any changes of fortune which varying circumstances may have brought about," it would appear that Mr. Crump had had his misgivings on this point, but many will doubt the wisdom of his decision. There are weighty reasons, no doubt, for the omission, but those on the other side seem stronger. To take a single instance, at the head of each page with the name of the bank, is stated the number of its branches. Now, this number of branches may be quite correct at the present time, but can, in very few cases, have been true during the whole period of twenty years under review, and not only would it seem to have been due to the banks themselves to state, but it would have been interesting to have learnt, how far the opening of new branches from time to time was coincident with the raising of additional capital, or affected the volume of business transacted. There is no attempt in the alphabetical arrangement followed to group banks of different class together. All are treated alike; and whether London banks, pure and simple, or Scotch, Indian, or Colonial banks, they are deemed to be London Joint Stock Banks. Again, many may seek, but look in vain, for any kind of summary, in which the results would have been grouped. Mr. Crump, in his introduction, says that he has decided to let the figures speak for themselves. "Those who choose to probe further are at liberty to satisfy their curiosity." "Neither have we set ourselves the task of drawing individual comparisons. We divulge nothing that has not been already exposed; we simply bring to a focus information which, up to the present time, so far as the great public is concerned, has been scattered and half-forgotten, and which we believe it will be very useful in this form to bring again to the light." But fully believing that Mr. Crump has written for a purpose, and that a high one, it may be felt that he has, by confining his information to individual cases, done but little else in this part than give people the opportunity to make individual comparisons. It is unquestionably interesting to some minds, and, possibly, peculiarly so to shareholders, to compare the working of one bank with another, but the number of persons who desire to know whether A. has succeeded better than B. must after all be small. It would scarcely have been necessary for such purposes to unearth these "half-forgotten" records. But the real student is left with great difficulties. A comparison, such as can be

made in looking through the book, inclines the reader to the opinion that those banks which have extended their system of branches have held their way more satisfactorily than others. But there is no help to a general and comprehensive view on this interesting question. And so with investments and discounts. A. may have adopted one course, and B. another, but there is no saying, without great labour, what has been the general lesson of these eventful twenty years. Perhaps, however, this is only an instalment, and Mr. Crump will give us the cream later on.

In the Introduction Mr. Crump states his views on many points connected with banking interests with great clearness and ability. He believes that the banking accommodation of London is equal to, if not ahead of, its requirements; and, showing how much more difficult it is now than it was even a few years since to start a new business, concludes that any attempt to set up another bank would prove abortive. He then sketches the present condition of the money market and refers to the liabilities to disturbance to which it is exposed, especially by the increasing use of the telegraph. The many modes in which this operates, and the changes which it is introducing and will probably bring about in the future, are dwelt upon with much force.

In this connection, also, he deals with the undoubted fact of a diminution in the number of bills of exchange, and discusses the question which he thus states:—"Now, since banks have always looked to the discount of good bills as the principal medium of safely employing their deposits, if these bills are to disappear to a large extent in the future, how are the banks going to employ their deposits, and is the prospect of their being able to do so safely by utilising the money in any other way, as good in the future as it has been in the past?" There is a certain under tone of melancholy throughout the review. Mr. Crump dwells with a certain despondency on the many difficulties which beset the banker at the present day: the sorrows of competition, the unsaleability of securities in time of difficulty, the temptation to weak banks to do risky business, and so on; he has a keen eye for the hollow devices of the bankrupt trader, the scheming New Yorker, and the many traps and trials with which they waylay the incautious bank manager; but he has little to suggest unless it is the somewhat mild conclusion to which he ultimately arrives—that banks in the City should "do less with the Stock Exchange and with speculators of all kinds, and seek to enlarge their connection with the tradesmen of the suburban district." It is, of course, difficult to foresee what changes time will bring about, but Mr. Crump is clearly not too sanguine. It may be questioned whether quite sufficient prominence has been given to those changes which bankers have actually effected within the period under review, or whether their power and will to adapt themselves to the circumstances which may arise have been duly estimated. On some points

he scarcely seems to have given the prominence to which the subject is entitled—to such a subject, for instance, as the part played in International settlements by the enormous increase of late years in International Securities; and it is possible that his very decided views on the silver question may have coloured his language when he states that "the *rôle* of silver is beginning to be played out as regards international currency." Does it play no part still in transactions with India and Eastern nations?

It must, however, be felt that Mr. Crump has not unfairly reviewed the portion of the banking world at the present time, and that he has called attention to and investigated ably "the half hidden changes going on," especially in connection with the developments of electric communication. He speaks as one to whom the questions are familiar, and has the happy power of always making his meaning quite clear.

The "Current and Deposit Account diagram," which introduces a third division of the work, has evidently been prepared with great care, and with particular desire to exclude all matters, such as reckoning deposits twice over, which would impair its accuracy. The chapter which accompanies this diagram, discusses the mode in which these deposits are employed, and investigates the items in which they appear on the other side of the account. There are many who feel that the amount of business done in comparison with the metallic money in hand is somewhat perilous, but Mr. Crump holds that the need for such money will be less and less. He says:—

"The older the world grows the more civilization advances, and the further credit and confidence spread, the greater will become the area over which purchasing power will be exercised by mere book and paper transfers, and the less will metallic money be required as the medium for interchanging commodities. We know well enough that gold has gone, as long as anyone can remember, to pay for Egyptian produce, and very little of it has returned, no matter what has been the state of the exchange between Egypt and England. To what extent gold is hoarded in those regions no one can say, but we may safely predict that the English protectorate has sounded the death-knell of a system which is the child of ignorance and superstition, and that many years will not elapse before gold, instead of flowing into Egypt, will flow out. So of other countries similarly situated."

Mr. Crump evidently believes that there will be an increasing power of working closely, and that with this there will be increased competition and a keener struggle for profits.

Apart from the skill with which the diagram has been constructed, the fact that such a computation has been worked out by one mind, and on a consistent principle throughout, gives any such statement great value. The Institute is indebted to Mr. Crump's courtesy for permission to reproduce it, though unfortunately the exigencies of the *Journal* do not permit its reproduction in the original form of a diagram.

TOTAL AMOUNT OF CURRENT AND DEPOSIT ACCOUNTS OF THE LONDON JOINT STOCK BANKS (including the Bank of England, Indian and Colonial Banks, and Scotch Banks having a London Establishment) and the DISCOUNT ESTABLISHMENTS.

Adapted, by permission, from a Diagram, specially prepared by Mr. Arthur Crump, and published in his work, "The Key to the Position and Progress of the London Joint Stock Banks, 1883."

Year.	Total Deposits on Current and Deposit Accounts. Stated in Millions.	Year.	Total Deposits on Current and Deposit Accounts. Stated in Millions.	Year.	Total Deposits on Current and Deposit Accounts. Stated in Millions.
	£		£		£
1860. June	48·95	1867. June	87·36	1874. June	121·01
„ Dec.	48·50	„ Dec.	75·58	„ Dec.	119·76
1861. June	52·00	1868. June	84·44	1875. June	127·97
„ Dec.	53·05	„ Dec.	85·81	* „ Dec.	120·70
1862. June	56·05	1869. June	86·31	1876. June	122·27
„ Dec.	55·40	„ Dec.	88·18	„ Dec.	122·38
1863. June	63·30	1870. June	91·64	1877. June	120·48
„ Dec.	65·10	„ Dec.	95·35	† „ Dec.	114·13
1864. June	70·28	1871. June	95·58	‡1878. June	123·31
„ Dec.	73·88	„ Dec.	108·98	„ Dec.	117·06
1865. June	82·88	1872. June	114·49	§1879. June	114·41
„ Dec.	79·15	„ Dec.	114·79	„ Dec.	130·50
1866. June	82·91	1873. June	113·29	1880. June	128·44
„ Dec.	87·71	„ Dec.	120·86	„ Dec.	125·83

* 15th June, 1875. Failure of Messrs. Collie & Co.
† Drain of Gold to France, Germany and United States.
‡ Failure of City of Glasgow Bank, October, 1878.
§ Do. West of England Bank, 7th December, 1878.

In his general remarks upon the foregoing figures Mr. Crump states, that they represent "a serious attempt to show approximately the fluctuations in the total amount of purely London deposits in the London Joint Stock Banks and Discount Establishments."

In speaking of the deductions which had to be made from the amounts in the various Balance Sheets, he says "In some cases, especially in the earlier stages of some institutions, 'bills payable' are pressed into the service; but they could not, under the most liberal interpretation, be included in estimating strictly the amount of money deposited with a bank. . . . . Other deductions have had to be made so as to avoid reckoning deposits twice over."

QUESTIONS ON POINTS OF PRACTICAL INTEREST.

THE COUNCIL desire to express their readiness to receive at all times questions which are of general interest, and in regard to which it would appear desirable to assimilate the practice of bankers.

The following questions have been received, and answers are appended, which, after careful deliberation, the Council have approved :—

QUESTION I.—A. and B. are two country banks carrying on business in the same town, in the course of which they clear cheques upon one another in the usual manner. Among the cheques drawn upon B., and presented by A. for payment, is one bearing the crossing of C., a bank carrying on business in another place, and also the usual crossing of A. Although presumably the cheque has been sent by C. to A. for collection, there is nothing upon any part of it to prove it.

Is this a doubly-crossed cheque within the meaning of the Act, and, therefore, the duty of B. to refuse payment on that ground ?

ANSWER : The crossing, as described, is apparently a double crossing within the meaning of the Act, and the paying banker, B., would be legally entitled to refuse payment to A.

QUESTION II.—Ought not the cheque to have been crossed "C. bank to A. bank for collection," or "C. bank to A. bank" simply ?

Is not this the meaning of *sub-sec.* 5, *sec.* 77, *Bills of Exchange Act*, 1882 ?

ANSWER : It is the usual custom, and is very desirable, to cross cheques as stated, viz., "C. bank to A. bank for collection," but such crossing is not absolutely required by the Act.

QUESTION III.—Would A., as agent of C. for collection, be right in mending the crossing accordingly, say, by putting the word "to" between C.'s crossing and their own ?

ANSWER: The *Bills of Exchange Act*, 1882, *clause* 77, *sec.* 6 (introduced at the suggestion of the Institute of Bankers), provides for such amended crossing.

QUESTION IV.—In the case of A. having a number of correspondents and agents, a list of which is supplied to B., would the latter then be safe in paying the cheque crossed as first described?

ANSWER: In such cases it is customary to pay.

QUESTION V.—Some banks when sending cheques to a correspondent for collection, stamp their names with a reference number on the face of the cheque, but both within a margined stamp.

Would this operate as a crossing by the remitting bank?

ANSWER: This would depend very much on the actual form and position of the stamp in question, it would probably not amount to a crossing.

QUESTION VI.—Do circular notes require foreign bill stamps?

ANSWER: The form of the circular note is an instruction from a London bank to its correspondents abroad to pay the person named thereon the equivalent of a certain amount in sterling, against the payee's draft on the London bank, for the amount in question, on a form printed at the back of the circular note. This draft, which is dated from the place abroad at which the circular note is cashed, requires the ordinary *ad valorem* foreign bill stamp.

QUESTION VII.—According to the recognised laws of endorsement of cheques, is a banker justified (except at his own risk) in paying a cheque with this endorsement:

"W. S. Symes,
Pro S. Woodgate."?

ANSWER: A banker would be legally entitled to refuse a cheque so endorsed.

QUESTION VIII.—Can a banker refuse payment of a cheque payable to the order of "Messrs. Barrens," and endorsed simply "Barrens"?

ANSWER: He cannot.

QUESTION IX.—Referring to *sec.* 89 of the *Bills of Exchange Act*, 1882, A., for B.'s accommodation, puts his name as maker to a joint and several promissory note (which B. also signs) in favour of C., who, at the time of its being negotiated to him, has notice of the relation in which A. and B. stand to each other. B. does not meet the note at maturity.

Is it necessary, in order that C. may preserve his rights against A., that A. should have notice of dishonour?

ANSWER: Yes.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Feb. 31. 1	1883. Mar. 7. 2	1883. Mar. 14. 3	1883. Mar. 21. 4	1883. Mar. 22. 5
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	£
Notes issued	38,007	37,766	37,437	37,403	*38,482*
Government debt	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,735	4,735	4,735	4,735	*4,735*
Gold coin and bullion	22,257	22,016	21,687	21,653	*22,732*
	38,007	37,766	37,437	37,403	*38,482*
BANKING DEPARTMENT.					
LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	*14,553*
Rest	3,770	3,778	3,784	3,804	*3,821*
Public deposits	9,697	9,418	9,874	10,156	*9,184*
Other deposits	22,812	22,884	22,824	22,938	*23,697*
Seven day and other bills	171	200	193	204	*202*
Total	51,003	50,833	51,228	51,655	*51,457*
ASSETS.					
Government securities	12,383	13,142	13,397	13,361	*13,296*
Other securities	24,563	23,874	23,962	24,698	*23,049*
Notes	13,172	12,885	12,868	12,629	*13,883*
Gold and Silver coin	885	932	1,001	967	*1,229*
Total	51,003	50,833	51,228	51,655	*51,457*
Notes in the hands of the Public	24,835	24,881	24,569	24,774	*24,598*
Reserve	14,057	13,817	13,869	13,596	*15,112*
Proportion of reserve to liabilities (per cent.)	43·01	42·51	42·16	40·83	*45·68*
Rate of discount	3 %	3 %	3 %	3 %	*3 %*

	Mar. 1.	Mar. 8.	Mar. 15.	Mar. 22.	*Mar. 23.*
RATES OF EXCHANGE ON LONDON.					
Paris, cheque— (par £1=25f. 22½ c.)	25·22	25·24½	25·24½	25·22¼	*25·28*
Berlin, 8 days— (par £1=20m. 43 pf.)	20·44	20·43½	20·43½	20·42	*20·47¼*
New York, 60 days— (par £1=$4·867)	4·81½	4·80¼	4·80	4·79¾	*4·86*
Calcutta, 4 m/d— (per rupee)	1s. 7$\frac{17}{32}$d.	1s. 7⅝d.	1s. 7$\frac{9}{16}$d.	1s. $\frac{15}{32}$d.	*1s. 8⅜d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus: £1,000=£1,000,000.

For the weeks ending	1883. Mar. 1. 1	1883. Mar. 8. 2	1883. Mar. 15. 3	1883. Mar. 22. 4	*1882. Mar. 23.* *5*
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	*£*
Public deposits	5,620	5,105	4,326	4,313	*14,138*
Private deposits..................	19,862	19,767	18,906	18,527	*26,762*
Notes in circulation	113,826	113,089	114,220	113,253	*105,783*
Other items	12,418	12,781	12,610	12,629	*12,745*
Total	151,726	150,742	150,062	148,722	*159,428*
ASSETS.					
Gold	39,691	39,827	39,748	39,827	*34,407*
Silver	43,360	43,167	42,776	42,555	*45,706*
Bills	38,724	37,752	37,668	36,506	*48,279*
Advances	17,958	18,323	18,163	18,127	*18,848*
Other items	11,993	11,673	11,707	11,707	*12,188*
Total	151,726	150,742	150,062	148,722	*159,428*
Rate of discount	3 %	3 %	3 %	3 %	*3½ %*
	Feb. 28.	Mar. 7.	Mar. 15.	Mar. 22.	*Mar. 23.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£	£	*£*
Notes in circulation	34,619	34,098	33,922	34,404	*33,464*
Current accounts	11,059	11,108	10,854	10,588	*9,606*
Other items	6,903	6,903	7,132	7,052	*6,840*
ASSETS.					
Coin and bullion	31,717	31,707	31,835	31,712	*28,372*
Bills and Loans..................	17,941	17,678	17,221	17,386	*17,026*
Other items	3,625	3,402	3,318	3,437	*5,173*
Rate of discount	4 %	4 %	4 %	4 %	*4%*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Feb. 3. 1	1883. Feb. 10. 2	1883. Feb. 17. 3	1883. Feb. 24. 4	*1882. Feb. 25.* 5
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).					
LIABILITIES.	£	£	£	£	*£*
Notes in Circulation	3,329	3,292	3,308	3,300	*4,020*
Net Deposits	61,436	62,222	62,142	61,860	*59,560*
ASSETS.					
Loans and Discounts	63,292	64,298	64,670	65,080	*65,000*
Specie	12,821	12,480	12,000	11,700	*11,160*
Legal Tenders	4,606	4,359	4,270	4,000	*3,460*
Legal Reserve (being one-fourth of net Deposits)	15,359	15,555	15,535	15,465	*14,890*
Reserve held (consisting of Specie and Legal Tenders)	16,927	16,839	16,270	15,700	*14,620*
Surplus	1,568	1,284	735	235	*270**
	Feb. 28.	Mar. 7.	Mar. 14.	Mar. 21.	*Mar. 22.*
MISCELLANEOUS.	£	£	£	£	*£*
Clearing-house returns............	137,856	124,251	107,871	147,294	*136.592*
Average price of wheat	41s. 9d.	42s. 6d.	42s. 6d.	42s. 2d.	*44s. 7d.*
Price of consols	102½	102	102¼	102$\frac{1}{16}$	*101¼*
Bar silver, fine, per oz. standard	51d.	51⅛d.	51$\frac{3}{16}$d.	50¾d.	*52d.*
3% French Rentes	81·35	82·20	81·72½	80·85	*83·15*

* Deficit.

The Institute of Bankers.

MAY, 1883.

RICHARD B. MARTIN, Esq., M.P., in the Chair.

ON THE PROBABLE RESULTS OF AN INCREASE IN THE PURCHASING POWER OF GOLD.

By RIGHT HON. GEO. J. GOSCHEN, M.P.

[An Address delivered before the Bankers' Institute, Wednesday, April 18th, 1883.]

I WOULD wish to be permitted to vary the title of the address which I am about to deliver, and to head it, "On the probable results of an increase in the purchasing power of Gold," rather than use the more technical term, "The Appreciation of Gold." What I wish to address you on is the probable results of such an increased purchasing power. I had hoped to be able at once to approach the subject of such results, assuming, more or less, that fall in the price of commodities which is practically synonymous with the increase of the purchasing power of gold; but I have found, within the last few days, that the question of the fall in prices is, to some extent, still in dispute. Therefore I think it necessary to prepare the ground somewhat in this respect, and to enter—though I hope not at any great length—into the question as to whether prices of commodities have, or have not, generally fallen during the past ten years. To me it appears that we have a striking phenomenon before us. On the one hand, I do not think any of you will be ignorant of the fact of the withdrawal of an immense amount of gold, which, under ordinary circumstances, would have passed into the currency of the gold-using countries, and of its application to what I may practically call a new purpose, namely, the supply of a new gold currency to Germany, Italy, and the United States. If you take the amount of gold currency which has been absorbed within the last ten years by these three countries, you will arrive at the stupendous sum of about £200,000,000. Germany required £84,000,000, Italy required £16,000,000, and the United

States have taken more than £100,000,000. Holland has also taken a certain amount. On the other hand, a certain portion of German gold may have been re-exported, to supply the sum that ultimately went to America. Therefore I will not take a higher sum than £200,000,000. But we have this phenomenon before us—that £200,000,000 of gold has been applied to purposes for which, ten years ago or fourteen years ago, it was not necessary to apply it.

I next have to ask from what annual supply of gold this extraordinary demand had to be met? Now, many of you may be aware that there has been a falling off in the annual supply of gold, and that while in 1852—the first year after the gold discoveries—the amount of gold produced was £36,000,000, it is now about £20,000,000 per annum. I think it may be well to give these facts in a quinquennial statement. The total production from 1852 to 1856—in those five years—was, in round numbers, £150,000,000, giving an annual average of £30,000,000. In the next quinquennial period, from 1857 to 1861, the total production was £123,200,000, giving an annual average of £24,600,000. Between 1862 and 1866 the total amount produced was £114,000,000, and the annual average £22,750,000. Between 1867 and 1871 the total production was about £109,000,000 with an annual average of £21,753,000; and in the years between 1871 and 1875 the total production was £77,000,000, and the annual average £19,200,000. The annual average therefore fell in the years from 1871 to 1875 to £19,200,000 as compared with very nearly £30,000,000 in the years from 1852 to 1856. Thus you will observe that we have had an extraordinary and additional demand of £200,000,000 sterling coming upon an annual supply of £20,000,000 sterling. The consequence is that this extraordinary demand has practically absorbed the total supply of gold for ten years.

But it is not sufficient to state that the total supply of gold available for the needs of circulation in the gold-using countries of Europe has been absorbed. This additional and extraordinary demand falls upon a supply of £20,000,000 which has to furnish the wear and tear of the coinage and the total amount used for the purposes of art and manufacture besides the purposes of circulation. Now, there are various estimates of the amount of gold annually used in arts and manufactures. Monsieur Lavaleye, a very eminent authority, accepts an estimate of 250,000,000 francs, or £10,000,000 sterling, as the amount annually consumed for such purposes.* If we take the figure of £10,000,000, as required for arts and manufactures, and for all purposes other than circulation, and subtract that sum from the £20,000,000 of annual supply, it leaves for the purposes of circulation £10,000,000 only, and on this hypothesis the extraordinary demand of £200,000,000 would absorb the available yield, not of ten years but of twenty years. Twenty years' ordinary supply of

* *Vide* Laveleye's "International Bi-metallism," page 64.

gold for circulation would have been absorbed by this extraordinary demand!

Economists will accordingly ask themselves what result, if any, is such a phenomenon likely to have produced? I think there is scarcely an economist but would answer at once—"It is probable, it is almost necessary, it is according to the laws and the principles of currency, that such a phenomenon must be followed by a fall in the prices of commodities generally. Just as a large amount of gold, poured into Europe in 1852 and subsequent years, created a rise in prices, so the counter-phenomenon must produce a fall."

Let us now turn to the other side of the question, and forgetting for the moment, and setting aside what I have mentioned, viz., the question of the pressure upon the total supply of gold, let us examine the range of prices of commodities, and see whether or not it is a fact that there has been a great fall. I daresay, that you are accustomed to be troubled very often with statistics in this room, so that I make no apology for reading some figures to you. But I do not profess to have examined this question as a statistician or to deal with it statistically; it is rather with the results I am anxious to deal. For the figures I am about to place before you I am indebted mainly to Mr. Giffen of the Board of Trade. I have examined the prices of commodities, as published by the Board of Trade, but I have also consulted other sources. I have here a classification of articles under certain heads showing prices in the years 1873 and 1883 respectively:

	1873.	1883.
SUGAR—Brown Manilla	16/6 ℔ cwt.	12/- ℔ cwt.
Good and fine West Indian	29/- "	20/- "
TEA—Sound Common Congou	-/11½ ℔ lb.	-/5 to -/5½ ℔ lb.
COFFEE—Middling Plantation Ceylon ...	87/- ℔ cwt.	70/- ℔ cwt.
COCOA—Guayaquil...	59/- to 60/- ℔ cwt.	59/- "

Cocoa has not fallen in price, but with that exception you will see that the articles of a "Free Breakfast Table," viz., sugar, tea, and coffee, show not only a fall, but a very great fall, in price. But let me continue:—

	1873.	1883.
WHEAT	£2 16/- ℔ qr.	£2 -/6 ℔ qr.
RICE—Rangoon	9/6 ℔ cwt.	7/- ℔ cwt.
PEPPER	-/7 ℔ lb.	-/5½ ℔ lb.
METALS.		
IRON—Scotch Pig	£6 7/- ℔ ton.	£2 9/- ℔ ton.
LEAD—English	£21 10/- "	£13 15/- "
COPPER	£91 "	£65 "
TIN—Foreign	£142 "	£93 "

	1873.	1883.
OTHER RAW MATERIALS.		
WOOL—English Sheep's, half Hog, half Wether	2/3 ℘ lb.	-/10¾ ℘ lb.
Mohair	3/3 〃	1/8½ 〃
Australian—Average Victoria Washed	2/- 〃	1/10 〃
Alpaca	2/9 〃	1/3 〃
COTTON—Middling Upland	-/9 〃	-/5⅛ 〃
Fair Surat	-/6¼ 〃	-/4¼ 〃
COCHINEAL	2/5 〃	-/10 〃
INDIGO	7/3 to 7/6 ℘ lb.	6/6 to 6/10 ℘ lb.
HIDES—River Plate, heavy salted ...	-/8½ ℘ lb.	-/7¼ ℘ lb.
Light	-/8½ 〃	-/6½ 〃
JUTE	£16 ℘ ton.	£10 10/-£11 ℘ ton
NITRATE OF SODA	16/- to 16/6 ℘ cwt	12/- ℘ cwt.
SALTPETRE	£1 10/6 〃	19/- 〃
COALS.		
WALLSEND	£1 10/- ℘ ton.	18/- ℘ ton.

I am bound to say it appears to me that these figures reveal an extraordinary state of things. I will now mention some articles which have not fallen. I am not quite clear about tobacco, but it appears to me, so far as I can judge, that the common sorts have fallen somewhat, while the better sorts have risen. With regard to spirits, they have not risen, and beer has not risen. It is a very curious coincidence that while tea, coffee, and sugar have fallen so materially, what we may call the luxuries of the working man—tobacco, spirits, and beer—have not fallen, or, at all events, not in the same proportion. I would also mention the question of meat, but before I do that I should like to make one general remark upon the table I have read, and it is to the following effect :—You may, and you probably have, while I have been reading these figures, as I approached the particular business of many of those who are here, been able to say, "Oh! the fall of such and such an article is accounted for by totally different circumstances than the rise in the price of gold." That is perfectly true. There may have been increased crops of cotton, there may have been increased crops in the case of many of these articles; but the extraordinary fact remains that the fall has run through so many of them. I have not yet exhausted the list I have to submit to you, but in the case of the following articles I have only the figures up to the year 1881 :—

	1873.			1881.		
	£	s.	d.	£	s.	d.
Paper for writing and printing	3	0	9	1	16	3
Silk „ „ per lb	1	1	0	0	17	0
Timber, per load, hewn	3	5	0	2	12	0
Staves „ „	10	0	0	5	0	0
Mahogany „ „	11	12	0	9	5	0
Railway carriages	111	10	0	85	0	0
Boots and shoes, per dozen pairs	3	4	9	2	17	2

I may add that linen has fallen and soap has fallen, and now I think I may reassure my audience by saying that I have have done with statistics for the rest of my speech. I fear I have given you them in rather full measure, but my object was to place before you, if you have not seen it in an aggregate form, the great fall which ranges over almost all articles. Just now I touched on the suggestion that there were extraordinary reasons to account for the fall in many cases. In the same way it is true that there is an exceptional reason for the very high price of meat. I mentioned in a previous speech on this subject that the ravages in our flocks and herds through diseases of various characters, have so exhausted the stock in this country that the price of meat, has, as everybody is aware, remained exceedingly high. But I am not going through the various articles to examine the causes which may in special cases have produced or retarded a fall in price. I shall simply make some observations presently upon several general causes.

But first let me deal with a question that has been put to me, viz., this—"Is anyone the better for this fall in prices? Is it not a mere question for statisticians? Can any individual—a rich man or a poor man—buy more now with a number of sovereigns which he owns, than he could ten years ago?" People are likely to say that this is a much more practical way of approaching the question than to look at the mere figures. Then let us look at it in that way. Take the case of the poor man. I think it is clear he can buy his tea cheaper, he can buy his coffee cheaper, he can buy his bread cheaper, and he can buy his clothes cheaper also. In all these respects he must be better off than he was before. Take the richer man. He has all these articles cheaper too; besides, he has his coals cheaper, and he has his gas cheaper; in fact you can run through most of the articles—the great articles of consumption—and you will see that he can buy them cheaper. But there is a counterbalancing circumstance in all expenditure which most of you know as well as I do and that is that the standard does not remain the same, that there is a constant tendency to increase the standard of your expenditure,—to get better things or more of them, and gradually to attempt to rise somewhat in the scale of living. That I believe to be true of all classes, and it accounts for men's aggregate expenditure not being reduced, though many items cost less money.

Supposing the workman's wages are the same now as they were before, is he better off than he was before? I would ask anyone who goes into a country church and sees the people coming in, whether the population is not better dressed than it used to be? The same is equally true of the manufacturing districts. The manufacturing population is infinitely better dressed, both men and women, than it was a certain number of years ago. They may not have more savings to put by, but their money does go further than it went before; and let me ask, supposing it were not so, can you deny that, wholesale, these articles are to be bought cheaper? Otherwise, what means the quotation in the market? The only other alternative would be that the whole difference caused by the fall in the prices has gone into the pocket of the middlemen, and this I think, looking to the competition of dealers, would really be impossible. Doubtless it is a long time before the consumer gets the full advantage of the fall. The remoter the district in the country the more difficult it may be; but I am told that in London and in the large markets, the competition is keen enough to have enabled the working classes to purchase the necessaries of life considerably cheaper.

The question with regard to people who are in a somewhat better position and more comfortably off is the same—not "Do you spend more?" but "Do you get more for your money?" When you see so many articles so much cheaper, when you see that coals are cheaper, gas cheaper, groceries cheaper, bread cheaper, you must analyse your expenditure and see where that reduction is to be found. One circumstance will have to be considered, with regard to which I shall feel it my duty to say a few words presently, a very important question, viz., the question of wages and salaries. But I am dealing now with commodities generally. Gentlemen, a good test in the fall in prices would be this: How is the situation with regard to our large hospitals, and the feeding of our troops, and in those administrative branches where purchases are made in large quantities? All governmental expenditure tends to increase in this country, the standard is continually raised. It would be extraordinary if you could keep a hospital patient at the same price now as you could before all the hospital reforms were introduced, and before the doctors acquired that immense predominance over public opinion which is now accorded to them both by the State and by individuals. It would be perfectly natural, too, that there should be a great increase in the price of maintenance of soldiers as well as of paupers; but as far as I can make out that is not so. I see that the average cost of a pauper in 1867 was £10 0*s.* 4*d.*; and in 1881 £10; that is to say, the cost is the same; and that cost is the same in the workhouse, notwithstanding the great improvements in the position and in the treatment of the pauper. You must not look merely to the total expenditure, because the total expenditure includes those increased comforts which public opinion has required in the

management of all our great establishments. I commend this matter to statisticians and ask them to examine how far, in our hospitals and great establishments you are able to find, under certain heads, diminished expenditure because the great articles of consumption have fallen in price?

And, now, will you allow me to assume for the rest of my address that a fall in prices has actually occurred? If so, I would ask you to proceed to consider "To what is this fall in prices due?" On the one hand I have shown you, that the amount of gold which is available for the purpose of circulation has had a tremendous strain put upon it during the last ten years; and on the other hand I have placed before you that fall of prices which would naturally flow from that cause. Do you admit any connection between the two? Has the necessary gold been found without any strain upon the stock of gold; and has this fall of prices been produced by causes totally separate from this strain upon gold?

Let me recur in the first place to the strain upon gold. I have shown how it has been calculated that we have taken ten years' production to supply Germany, the United States, Italy, and Holland. Now, I would ask this question. What would have happened supposing those countries had not taken the £200,000,000 of gold? where would the gold have been? The gold would have continued to supply those countries which received it before. It would have been carrying on that normal work which the gold annually produced has always been performing, namely, meeting the increasing demand for gold which arises from the natural increase of population, and from the increase of wealth.

It appears to me, that if it be true that population continually increases, and that there is a certain increase in wealth, an additional amount of circulation will be necessary in order to meet the increased demand, unless there are compensating counter economies by the extension of the cheque system and other methods. Now I wish to be very precise on this point. On the one hand, you undoubtedly have increased population. Going back thirty years, you may say you have an addition to the population of 50 per cent., including not only the gold-using countries of the old world, but new countries, such as Australia, where the population increases fast. You also have an increase of wealth. I do not mean the growth of capital in the hands of large capitalists, but you have that increase in comfort, which means that there are more people who carry one or two sovereigns or half-sovereigns about with them in their pockets. Then, again, you require more gold for more transactions. Of course you are not ignorant of the fact, that the increased amount of gold required is certainly not in proportion to the increased transactions, but merely in proportion to the increased balance of the transactions. Gold has two or three functions to perform in circulation. It has to supply what I may call pocket-money,

and it has to liquidate large transactions between nations and nations; and what is almost an analogous function, it has to remain in the vaults of bankers on deposit against the notes that are issued against it; still it is more simple to treat these two latter functions as one. Such being the two functions of gold, if the population increases, the necessary pocket-money must increase; and if the transactions increase, somewhat more is required for liquidating the balances of those transactions.

Let us now consider, on the other hand, whether the economies in the use of gold have been as great as the increase in the population, and as the increase in the amount of gold required to liquidate the balance of transactions. Mr. Giffen, in an article to which I am much indebted, printed in the journal of the Statistical Society for March, 1879, expresses the opinion that the United Kingdom was thoroughly "well banked" even twenty years ago, and that there have been no new devices invented during the last twenty years which have much economised the use of gold in the United Kingdom. We have already, I believe, reduced the use of gold in this country almost to a minimum; and I am confirmed in this view by the statement that the total circulation of gold in England increased, according to the estimate of the authorities of the Bank of England, from £103,000,000 to £124,000,000 between 1870 and 1880. This would mean—and it is a most significant fact—that in this country which is so "well banked," to use Mr. Giffen's phrase, £20,000,000 more circulation was nevertheless required in 1880 than in 1870. What a pull must those £20,000,000 have been on the total supply of gold, after, or concurrently with, those other demands to which I have called your attention. As regards England then, I do not see that there has been any economy in the use of gold to counterbalance the increasing demand of the population, nor are we aware—those of us who have been able to look into the matter—that in France or Germany, or elsewhere, the economies have been such as to counterbalance the increasing demand for gold.

I have been reminded of one point, which I mention in order to exhaust this part of the subject, and that is, as regards international transactions. It is alleged that there is an economy in the use of gold through large transactions being liquidated by what is called international Stock, and that great amounts of stock passing from one country to another to a certain extent save the use of gold. I mention this explanation for what it is worth. To sum up this part of the question, wishing to make every allowance for the fact that as little gold is used as is possible to use, and that every economy in its use is studied by bankers in England and elsewhere, I certainly do share the opinion that the economies effected do not counterbalance the strain put upon gold, either by the increased demand of the population for pocket-money, or for the liquidating of the enormously increased balance of transactions both of this country and of others.

I am now brought to the point that, if there is any truth in the theory that the amount of circulation stands in a certain relation to the question of price, then this strain upon the gold circulation must have produced an effect upon prices. There is a fall, and there is a cause which ought to have produced a fall; but has it produced a fall, or has the fall been produced by other causes? Certainly there are other causes which might account for the fall of prices, and I will enumerate some of them. I will be be perfectly fair in this matter because I am rather inviting inquiry upon all these complicated matters than wishing to state any dogmatic opinion. Indeed, the causes are so deep down, and are surrounded by so many counter considerations, that it is most difficult to say that any particular cause is responsible for any given effect.

It has been suggested to me that the fall in prices is partly due to the greatly increased facilities of communication both in the carrying of goods and in ordering goods; that through the Suez Canal, and through various other arrangements and better lines of steamers, and, above all, and concurrently, through the action of the telegraph, goods can be brought cheaper from the producing country to the consuming country than they could be brought a certain number of years ago. A second cause is stated to be the diminution of a class to which a great many, possibly, of my hearers belong, namely, the class of middlemen, or agents whose traditional business it always has been in London to act between the producer and consumer. There is the banking business, the agent's business, and the various businesses which consist in assisting the producers in the most remote countries, to place their goods, not only in England, but in most other parts of the world. I am told that transactions are now conducted to a very much greater extent than formerly, direct between the producer and the consumer, even in the interior of Germany, France, and Switzerland, and this change, of course, does diminish, to a great extent, the cost to the consumer; because a number of intermediate profits have vanished in the process of business. This would be a second cause to account for the cheaper production, and for cheaper prices. A third cause is alleged to be a great diminution of speculation; a fourth cause, that crops have been larger, thus accounting, in the case of a great many articles, for the cheaper price. With regard to this last consideration, I suggest to you, on the other hand, that if the crops have been larger, so is the population of the world larger too; and it would, indeed, be a sad thing if the crops were to remain stationary, while the inhabitants of this globe, who consume those crops, were not to remain stationary, but to multiply at that pace at which thriving countries do multiply. I therefore think we must not lay too much stress on the increase of crops over a long series of years.

I have now cited a number of causes for the fall in prices,

independent of the question of gold. But supposing these to be the actual causes, and for the moment I will assume them to be so, you have to deal, at all events, with the fact that prices have fallen, and if that is so, that is only another way of saying that the purchasing power of gold has increased. Whatever causes may have brought about the fall, if the fall is there, and if prices are so much lower, the purchasing power of gold has increased. On the preceding assumption it has increased, not on account of the special circumstances connected with gold, but from other causes which have operated upon commodities. Still we have to deal with the fact—let us look at it how we will—that owing to these causes, if you like, but as I believe, owing in a great measure to the other causes which I have indicated—the sovereign goes farther than it used to go. Happy then it is for those who have the sovereigns; on the other hand, unhappy it is for those who have commodities left on hand and produce which they have not sold.

Thus we are brought to what, to my mind, is more interesting than the dry augument with which I have been compelled to trouble you. We have to examine how the fall in prices, how the increased purchasing power of sovereigns, will affect various classes of the community, and the community at large. In the first place does it not account, to a certain extent, for a great many rash statements which are continually made with regard to a diminution in our exports and imports, and with regard to the depression in trade? If all prices have fallen, the total of our exports has naturally fallen too, being calculated in money. But do not look at the money value of our exports. Look at the volume of our exports, and see whether that volume shows a decrease—that is the true test! It does not show a decrease; and our trade may go on, and even be as profitable, after prices have once been adjusted, as before. Let us look at the matter from this point of view, that it is a transitional state through which we are passing to a future period. We have a painful transition from a period of one set of prices to a period of another set of prices; but we have, also, to look to the future when prices will once again have settled down, when in many branches of trade, and in many manufactures it will probably be the fact that the situation will be precisely as it was before, that is to say the manufacturer will pay less for his cotton, and will get less for his cotton goods when they are sold. It does not follow because prices are generally low, that therefore there must be an absence of prosperity in a country. If you can buy your material cheaper, you can sell the manufactured article all the cheaper; and, therefore, in deploring, if we have to deplore, the difficulties incidental to a transitional state from high prices to low prices, don't let us, for one moment, lend ourselves to the dangerous theory that because there will be less gold in any country, that, therefore, such a country will be less well off or less able to thrive.

The special characteristics of the transitional period have, I think, often misled the public. They mentally apply to the conditions after the change is completed, the phenomena which are incident to the period of transition. It is undoubted that a transition, such as took place in 1852 and the following years, from low to high prices stimulates commerce and industry while the change is going on, giving an appearance of great prosperity for the time, to be followed probably by a re-action afterwards which will produce temporary depression; but do not let us confound temporary difficulties with the ultimate future, in the conclusions at which we may arrive.

Let us now assume what I think is probable enough, that there will be a continuance of low prices—that is to say, a continuance of the increased value of the sovereign. Two classes would be permanently affected: one is the class which is entitled permanently to *receive* a given amount of sovereigns. They will be much better off. The class of debtors, on the other hand, who are bound to *pay* a given amount of sovereigns for a long period to come, will be much worse off. In the same way as the rise in prices generally is to the advantage of the debtor, so a fall in prices will be to his disadvantage. And that leads me to another consideration. In examining the fall in the price of various commodities, I did not allude to the value of Consols and of Securities. Have they fallen? No, they have not fallen. Ought they to have fallen? No, they ought not to have fallen. According to the theory they ought to have risen. Why? Because Consols mean the right of the holder to a given number of sovereigns; and consols and railway debentures and other such instruments which give the holder a right to a certain number of sovereigns, ought to have risen, and they have risen. This squares entirely with the theory of the increased value of the purchasing power of gold. In the same way as commodities, measured by gold, have fallen, these which entitled the holder to a certain given amount of gold ought to rise, and they have risen.*

Let us proceed in enquiring what will be the effect upon various classes of the country on the assumption of the increased purchasing power of gold? As to the fundholder I need not say any more. He will gain. He will receive his £3 per £100, and those £3 will be worth more than they were before. But, perhaps, they might be worth so much more that Consols may rise beyond £100, and it may very likely occur to a Chancellor of the Exchequer that the fundholder—if the position admits of it—should have his interest reduced from £3 to £2 15*s.*, or possibly to £2 10*s.*

Now let me pass to another class. The holders of mortgages would be in a distinctly favourable position. While the mortgages

* *Vide* Appendix, page 21, for a modification of this statement.

run, they will continue to receive a sum which will represent a larger purchasing power than it did before. Those on the other hand who have borrowed on mortgage will be in a worse position. They will be under contract to pay a given sum, which, measured by the value of all other commodities, will represent a greater value than before. To obtain that sum which they have to pay, they would have to part with a greater quantity of commodities. The influence of this circumstance on landowners will not be overlooked. Landowners who have borrowed largely on their estates will be under contract to pay away a sum which represents more value than before, while the produce of the land, if ultimately that produce should generally fall in price like other commodities, would not secure the same amount of sovereigns. It is impossible to see how farmers should be able to continue to pay the same amount of sovereigns for rent, if the prices of what they raise from the soil should permanently fall.

I have explained how up to the present time the price of meat, and I should add the price of butter and milk, has been affected by the great mortality in our flocks, and has not experienced the general fall. But if the hypothesis is correct that the purchasing power of gold has increased, it would not ultimately be without its effect on the price of beef and mutton, as on everything else. However, I am rather suggesting these questions with a view of indicating the method in which they ought, in my judgment, to be examined, than attempting to deal with them exhaustively. It would indeed be utterly impossible to do so within the limit of time which a speaker may claim on such occasions as these.

Let me rapidly glance at another case, that of the Railway Companies. The railway companies would seem to be in some sense in a peculiarly satisfactory position, unless indeed they should ultimately be obliged to reduce their fares, a natural result if 16*s.* should ultimately represent as much purchasing power as 20*s.* do now. A man who buys a railway ticket will be in a worse position if he has to continue to give 20*s.* of appreciated gold. Everyone knows how difficult it is to secure such reductions in fares as would be proportionate to an ultimate fall in prices generally, and till fares are reduced the receipts of the railway companies would represent more value than before. So far as their expenditure represents a fixed interest on debentures, this benefit would be neutralized; so far as their expenditure represents outlay for the purchase of materials, they would clearly benefit greatly. If there is any class who ought not to dispute the fall in prices, I think it is those interested in railways, if it be true, as stated in the returns of the Board of Trade that a railway carriage costs £85 now, instead of £111 10*s.* some ten years ago, and looking to the fall in the price of coal, of oil, and indeed of nearly all materials which a railway company uses.

Now, if you will still grant me your attention, I will briefly examine the position of the working classes. Assuming the increased

purchasing power of gold, I promised to say a word or two about wages. Wages are a commodity like everything else; at least, economists say so. It is of course true, in one sense, but in another sense it is not. According to the strict laws of economical science, when the purchasing power of gold increases, wages ought to fall, and I doubt whether they are quite as high now as they were during the period of greatest inflation. But I cannot discover that they have fallen much. Here it is necessary to bear in mind how many causes operate upon the price of labour, independently of the scientific causes taught by political economy. It is a very different thing to speak of reducing wages in a country like this, and of reducing the price of commodities which are bought and sold, and are liable to the higgling of the market. In many senses, a fall in wages stands on a different footing, and at all events in the case of the agricultural labourer, it is affected by the circumstance that the feeling of the community has distinctly been that his wages have been upon a scale considered too low with regard to the requirements of his living. General satisfaction has been felt that wages in this branch of industry rose considerably some time ago, and though the sum now given in wages represents more purchasing power, it seems to me not unnatural that the scale has thus far been maintained. It must not be overlooked that the wages of labourers are not only determined by supply and demand, but that most economists have admitted that wages must be on a scale to enable the labourers to live, and to be supplied at least with the minimum necessaries of life. I consider that that minimum has been raised. In the sentiment of the country it has distinctly been raised; and public sentiment counts for a great deal in such matters. I should not be surprised, therefore, if an increased purchasing power of gold had no immediate effect upon wages, nor do I feel confident as to the degree in which it will have an ultimate effect. It is possible, indeed, that the fact that wages have not fallen might lead economists to dispute that the purchasing power of gold has risen. It is perfectly open for them to do so, and they might make a powerful argument in respect of the circumstance. They might argue with much force that wages are an element of such extreme importance, and so far-reaching that, if wages had not fallen, the price of gold cannot be said to have increased. On the other hand, I have pointed to the counterbalancing influences.

Let us look more closely into the case of the labourer. His wages, if not reduced, represent generally more purchasing power. He can buy his bread, his tea, his coffee, and his clothes cheaper; but I have before pointed to the curious circumstance that some of the articles most important for working men have not fallen. You will remember that beer and spirits are not much cheaper, and that tobacco is not much cheaper either. These items, you are aware, consume a considerable portion of the wages of the working man.

But what will be the position as to the houses for working men, and, indeed, as to houses generally? In other words, how ought the fall in commodities generally to effect house-rent? Here let us distinguish between the geographical position of a house and the cost of building the house. So far as the geographical position goes, the principle of monopoly enters; but so far as the builder's part of the work is concerned, the cost of commodities generally, comes into play. So far as new houses are to be built, the question of cost is clearly one of very great importance. The figures I have read seem to show that as far as materials go, a house ought to cost less. At least, many of the materials entering into the building of a house have fallen in price; timber has fallen, lead has fallen, iron has fallen, glass has fallen. Houses ought to be built cheaper, and the rent be proportionately less. But, on the other hand, you cannot multiply the sites for houses, and you may have the fall in prices arrested to the advantage of the monopolist holder of plots of ground on which houses would be built. I do not use these words in an invidious sense, but merely to indicate the position. I should doubt whether house-rents will fall in the same proportion as other commodities, at least, so long as wages and salaries do not fall. But if wages and salaries fall, labourers and others would clearly not be able to pay the same rents out of diminished receipts, and a fall in house-rent would be the ultimate consequence. But the ground landlords will be in an enviable position. They will continue to receive their ground-rents in sovereigns, commanding a greater amount of commodities, and will be in the position of fund-holders and others who receive a fixed income payable in appreciated gold.

It is impossible for me to follow this investigation any further with respect to other classes of the community, and I wish most respectfully to say to the economists who are present, that it is not my purpose, for one moment, to lay down any specific doctrine with regard to the points which I have touched. I would wish to recommend the general lines on which, in my opinion, the investigation of the probable results of the increased value of gold should be followed, and to leave the enquiry to others who have the necessary leisure and ability for pursuing these studies. Let them consider and examine, on the hypothesis of the increased purchasing power of gold, what would be the position of the various classes of the community, and what results would follow. It is possible that these results, from a social point of view, may be very considerable. From the political point of view the revenues of States may be seriously affected. There may be changes in the relations of debtor and creditor, but with regard to commerce, when a new scale of prices has been definitely reached, I believe that the operations of trade will proceed precisely as before.

You will observe that I have not touched upon any remedies. I have refrained from doing so because, if I were to enter upon that

question I might soon find myself on controversial ground, and dealing with topics which have excited the very deepest interest, but which would possibly divert men's minds from the particular investigation to which I have ventured to call your attention this evening. The question might indeed be fairly put, is it the duty of the State to interfere at all with results which have flowed from this great strain upon gold? We have adopted gold as our standard, why should we then seek to remedy the results which may flow from circumstances incident to the use of that metal? I am not thinking of bi-metallism, or if it did pass through my mind, I mean that I am not thinking of it at this moment. The question in my mind is this,—how far the state ought or ought not to concern itself in the relations between debtor and creditor in any way. That is the only point now present to my mind. It would not, on the one hand, be correct to urge the view that the whole present situation is the result of natural laws as an argument against the propriety of interference. It is true that no State action on the part of England can be cited, but it would not be true of Europe generally, because, if the fall of prices has been brought about by the absorption in Germany, Italy, and the United States, of nearly £200,000,000 in gold coinage, it is by the laws passed by those Governments, and not by any change in production, that the serious results indicated have been caused. Therefore I wish to put aside the doctrine, that it is utterly out of the question for States to act, but whether it would be wise in any degree to act, is a matter of a very different nature. Debts have been contracted on the faith of certain national laws, and engagements have been made. Debtors had a great advantage once, when the gold discoveries in America depreciated the price in gold, but I am afraid they may suffer somewhat now. A distinguished French economist has said that he was not sure whether France would not have been bankrupt in 1848, but for that great increase in the production of gold, which created a degree of commercial prosperity, which enabled the French to escape from the difficulties they were in. I have heard another distinguished man suggest that the great difficulties of the old Roman Empire, with regard to laws which had to be passed for the relief of debtors, was due to the fact that they never had an expansive currency, but that the supply of the precious metals was stationary, at least if compared with the increasing transactions and the increasing population, and that it did not enable the Roman men of business to conduct their operations with that continuously small increase in the supply of the precious metals which was required to meet the increased demands of population and increasing wealth. The observation seemed to me of historical interest, and to be very suggestive; but I have not the necessary knowledge to judge of the accuracy of the facts which it implies.

I thank you most heartily for the attention with which you have listened to me. When I read what has been written by able men on

the subject which has occupied us to-night, I feel strongly that an address of the kind which I have delivered has no value at all for economists; but if I shall have contributed at all to direct men's attention,—not to what I have said, but to what others have said, and to the facts themselves, and the manner in which those facts ought to be investigated,—then I shall hope to have made some contribution to the elucidation of a question so difficult and so complicated that he will indeed be a vain man who would venture for one moment to pronounce dogmatic opinions upon it.

Discussion on Mr. Goschen's Paper.

The Chairman: I am sure you will agree with me in thanking Mr. Goschen for the trouble he has taken in giving us this admirable address, an address so clear that it is brought home in all its various details to the mind of everyone present. It will afford food for reflection for all of us. I think I may say never since the Institute has been in existence, and that we have met in this hall, have we had any address which opens up so important a subject, or has been treated in so able and masterly a manner. I see around me many gentlemen who are distinguished for the part they have taken in discussions on the subjects involved in Mr. Goschen's address, and I will not, therefore, occupy your time, but I will at once invite those whom we are hoping to hear to give some expression of their views upon the subject.

Mr. Thomson Hankey: There is one point in Mr. Goschen's address on which I should like a little explanation. I want to know if in taking the year 1873 he did not take a year of very great inflation; it is an important point as all his comparisons of present prices were made with those of 1873. That was immediately after the German war when there was an enormous inflation in the price of goods. I should rather have preferred the previous five years, or a later period. Then there is one other point on which I would venture to make a remark and that is on the question of wages. It appears to me he has hardly given sufficient weight and importance to the enormous amount of money that is constantly passing in the way of wages. That of course must be affected the same as any other article. Mr. Goschen himself said that wages were to be put on the same footing, with certain exceptions, as commodities. But I do not think there has been any fall in the price of wages, and wages enter very largely into every commodity we buy. We have no idea what amount of money is spent in the country in wages, but it must be something enormous. We know if we pay 1*s.* for

a cab, perhaps only a penny or twopence out of that amount goes to the driver, but a large proportion of the remaining tenpence goes in the shape of wages, on account of the horse keepers, and persons who are engaged in making cabs, and cleaning them; and there is scarcely an article we can buy, of any kind, in which wages do not form a very large proportion of the cost. I think Mr. Goschen admitted that wages generally had not fallen, and I agree with him. Wages, however, form a very large part of the expenditure in this country. Then as to the expenses of living, I think Mr. Goschen alluded to the fact that it was hardly fair to take the personal expenditure of the rich and poor, because they were affected by a variety of other causes. But he also alluded to the expenditure on large public establishments. I think he referred particularly to workhouse expenditure. Now, I have been connected with workhouse expenditure for a very great number of years, and during the last ten years I venture to say that the scale of living has not varied. The dietary of our prisons or our workhouses, generally, I do not think, has altered. It certainly has not diminished. They have been unable to buy, on the whole, all the articles which have been consumed cheaper. I doubt very much if the expense of feeding our troops is less. I look at the expenditure of some of the large schools, such as the London Orphan Asylum and Infant Orphan Asylum. They put 20 years' expenditure in a very neat form, so that any one can see it. I have looked over several of them, and I do not see that they have materially altered, and I do not think that their dietary tables have altered during the last ten years. In Christ's Hospital, in which I take a great interest, there has been no diminution. I do not think that Mr. Goschen has quite clearly established his point, that wages have diminished, and wages form an enormous item in the expenditure of the whole country, and in everything that we manufacture. I doubt whether Mr. Goschen has made out his point, that the sovereign will purchase a greater amount of comfort than it did ten years ago. My own expenditure, I am sure, is not diminished. I made some inquiries about the expenditure of a large class of men with whom I am intimately connected, namely, the clerks in the Bank of England. I wanted to know if an average salary of £250 a year enabled a man to buy more, or live more comfortably, than it did ten years ago, and I could not ascertain that that was the case. On the contrary, I have a paper in my hand showing what may be called the ordinary necessaries of life are not cheaper, and I doubt whether £250 a year enables a man to live more comfortably, or to obtain more goods, than he did years ago.

Mr. Giffen: I only came here to-night to have the pleasure of listening to the address of Mr. Goschen, and with no intention of speaking; but as the Chairman has been good enough to ask me, I should like to say a word or two in confirmation of the general

statement of Mr. Goschen with respect at least to the fact of the fall of prices on which he has dwelt. I wish also to do so with reference to one objection which Mr. Hankey has mentioned. Mr. Hankey says that Mr. Goschen started with 1873, which was a period of inflation, and that the present is but a proper period to compare with 1873; but the explanation would be this: The usual interval between one period of inflation and another is about 10 years, and even now, as compared with 1873, we have apparently got all the inflation we are likely to get. During the last year or two there has been a certain amount of improvement in trade and a certain amount of inflation, not a great deal, but still enough to make a great improvement as compared with the intermediate period of depression which we have passed through since 1873. Mr. Goschen is thus perfectly justified in comparing a time like the present with a time like 1873. If you find during an interval like this that there is the fall of prices Mr. Goschen has put before us, I think he has proved that a sovereign goes a great deal further than it did before. When I dealt with that question, in 1879, in the paper which Mr. Goschen has referred to, I found it necessary to allow for the difference caused by the prices being taken at one time when trade was depressed, and at another when trade was inflated. In comparing 1873 with 1879 I had to take into account the fact that the period of 1879 was a period of very great depression, and that there had been a great shock to credit in the year before, and that there had been a very bad time for several years. I satisfied myself upon that occasion, I do not know how far I was able to convince others, but it seemed to me quite clear that there was something in the fall of prices in 1879 which could not be wholly accounted for by the trade depression. The fall in prices in 1879 was to a much lower level than ten years before that. Equally the rise in prices in 1873 had not been so great as the rise in 1863 and 1865. The conclusion, therefore, was, and I am now more satisfied than ever of its correctness, that there is something in the present state of prices more than can be accounted for by changes in prices such as are due to depression of trade at one time as compared with another. I think we are right in saying there is a permanent appreciation in the value of the sovereign. With regard to what has been said as to wages, that is a difficult problem; but I think the true answer would be that as regards wages the full effect of the appreciation of the sovereign—the increasing purchasing power of the sovereign—is not likely to be felt quite so soon as it is with regard to commodities. Mr. Goschen has not gone into a question which would be of great interest in this room and that would be as to the precise method by which the fall would be brought about, when gold has become scarcer and scarcer. If that had been gone into, it might have been apparent that where you ought to look for the fall of the prices first is in those wholesale commodities which

are dealt with in the great markets of the world, the commodities upon which bankers are in the habit of advancing. It is there we ought to expect first to see a fall of prices as the result of the scarcity of gold. The result would be that people who receive wages, benefit at first because wages are not affected quite so soon by the change in the purchasing power of the sovereign as the prices of commodities themselves are; but I think there can be little doubt, if there is any truth in the facts Mr. Goschen has brought before us, and I can see no answer to the statement he made, that you must expect in time a great effect on wages as well as in commodities. Either a rise of wages, which would otherwise have occurred, will be prevented, or we shall have actually a decline in money wages. It will not follow that the working man will be less well off than before, but there will be a change in the money value. As to how the debtor and creditor classes will be affected, it is greatly to be desired that statisticians and those who are interested in these matters will give more time to investigating the great changes which are now going on. Apart from the temporary change, the transitional period to which Mr. Goschen has referred, the permanent question is also of interest; because, if it is found that the annual supply of gold, now that the transition period may be considered over, is not sufficient to maintain things in what we may call an equilibrium, that there is a constant increase in population and in the resources of mankind from time to time going on, and the supply of new money is not quite equal to keep things at an equilibrium, then we may have a long continued fall in prices from generation to generation, and this will probably have very great effects as time goes on. We may, perhaps, have what may be called a permanent transition period, as far as I can see. No one who looks at the rapid increase of population and wealth in the world, and at the apparently limited sources from which new gold is obtained, can doubt, I believe, that many problems of permanent interest are involved in the facts which Mr. Goschen has brought before us to-night.

Mr. Gibbs: You have been good enough to call upon me, but I think I have little or nothing to say, except to echo what Mr. Martin said when he was in the chair; the great obligation we are under to Mr. Goschen for the interesting and most lucid statement he made to us, and, for myself, to say I agree with every word he said, and that being so I do not know what more I have to say. I agree with what the last two speakers said with regard to 1873. That was a period of great inflation, but if Mr. Goschen had taken the year 1874, when the inflation had departed, and compared it with the present year, it would still have borne out his statement, although the contrast would not have been so striking. In the end of Mr. Goschen's speech he spoke of that which has happened as having been due to the action, not of England, but of foreign nations. No

doubt that is the case so far as present circumstances are concerned: but he said just afterwards that the debtor has had a good time of it now, and the debtor had a good time of it once before. At the time the debtor had a good time of it, it was owing to the action of England, and not of foreign nations. When the suspension of cash payments and the return to cash payments took place it affected prejudicially both classes. Mr. Goschen has told us of the condition of the patient—of trade. He has given us a perfect diagnosis of its condition, and we are met together—a large number of doctors—to consider his case. I was afraid he was going to speak of the patient as past all doctors; for he spoke of the transitory state in which he was, which seemed to me to be purgatory; and then he spoke of a future state, and that is heaven—and that is, I suppose, the heaven of a perfect adjustment between the circulating medium and the commodities which it measures. That we may all arrive at that heaven is the desire of every one of us, and that being so, I will only add again—thanks to Mr. Goschen.

Mr. Cork: I quite follow what has been said by Mr. Thomson Hankey with respect to the prices in 1873. There is no doubt that prices were exceptionally high then as to many of the articles Mr. Goschen mentioned. But we must also remember that the collapse in prices did not come till 1875. At that time great commercial failures occurred to the extent of something like £25,000,000; then the inflation, which up to that time had existed, came to an end. This is a most material matter to be considered in this case. You will remember that up to 1875 the deposits in eleven selected joint stock banks had risen nearly to £100,000,000, and in the following year they showed a decrease of something like £20,000,000. That seems to have been owing to the collapse of inflation. The artificial paper issued by Collie and others was no longer in existence, and fiduciary capital was at an end. It is to these causes in a great measure that prices have fallen. There is another point I would venture a remark upon in the masterly lecture which Mr. Goschen has given us. He told us that something like £200,000,000 had been absorbed in America, Italy, Germany, and Holland during the past ten years—that is to say, the whole of the production of the gold mines of the world has really been taken by those countries, and at the same time a large amount of gold has been consumed in the manufactures, and we estimate that at another £100,000,000, so that there is £100,000,000 in round numbers to be accounted for. Now, where has that £100,000,000 come from? It has not come from the Bank of France, because the Bank of France has more now than it ever had. It has not come from the Bank of England, and it has not come from the mines. Therefore it has come from the people's pockets. That is the point that ought to be kept in view. The right hon. gentleman said he thought we carried more gold in our pockets than formerly. Take a particular industry in this country—

the agricultural interest. Will anybody say that farmers carry more gold in their pockets than formerly. Why the farmer who formerly had his ten or twenty sovereigns in his pocket is really now a poor man. In 1879 his average wheat crop fell from thirty to nineteen bushels per acre; at the same time we were getting prodigious returns from California and New Zealand. So that the farmer in England is very much poorer than he was; and a great deal of the money that has found its way to America has come, I should say, out of the farmers' pockets. I think we must also remember that that economy of gold which the right hon. gentleman has referred to is always going on. Gold, as a metal of circulation, is less required; cheques have come into use a good deal more. Only one more remark. During the last quarter of a century those who have followed this question have heard it argued on both sides. Mr. Cobden, in his introduction to the book by Monsieur Chevalier, thought that the depreciation of gold was likely to be so great that he recommended people to get insurance policies payable, not in gold, but in silver, and he pointed out that it was altogether an unsafe thing for men to insure their lives payable in gold. But see what that has come to. The most able men pointed out the ruin that was to come upon the country through the depreciation of gold, but that has not come to pass. Also, at that time, you will remember, a great landlord of Yorkshire tried to pass a Bill through Parliament to enable him to get his rents paid in silver, but that was thrown out. Such was the alarm at the depreciation of gold. I think there is no ground for alarm, taking a broad view of the matter, from any appreciation of the precious metal.

Mr. Cornelius Walford: I have to express my surprise at the enormous hesitation which has been shown in discussing the points introduced by the right hon. gentleman. I think it is the duty of everyone who has something to say, to say it; but the only way to deal with this question is by taking up and discussing independent points. I am going to take one—the influence of locomotion upon the fall in prices, and that is a point which affords ground for illustration. A few years ago I undertook to write a history of famines, and in the course of the large investigation I had to make, I found in almost every instance this broad fact, that whenever things were at famine prices in one place they were greatly depressed in some other part. When in the east of England there were famine prices, in the west of England the grain was rotting on the ground, and there were no means of communication to transport the grain and therefore to equalise the prices. In India, broadly speaking, we had the same thing occurring. The world every year produces enough food for the people. India, which suffered so much from famines, produces every year food enough for the people of India, but the difficulty has been to get the food from the place where it is grown to the place where the people want it. The

result from being unable to do that is,—high prices prevailing at certain points, whereas in other places the quantity of grain brings down the price. During the last fortnight my attention has been called to a statement by the special correspondent of the *Times* that by the construction of two great bridges which are contemplated, the whole danger of famine in one of the provinces of India will be removed. That is a very striking illustration of the point. There is an illustration nearer home. During the last few months the St. Gothard tunnel has been completed and commerce is now flowing from Italy into Germany and *vice versâ*. The cost of locomotion is about one-tenth of what it was before, and already the prices are greatly equalised. Italy is sending abundance of silk into Germany, and Germany is sending to Italy coal and iron. The effect of quick transmission is to equalise prices. I am surprised also that another element, over-riding locomotion has not been spoken of because I assume that it must come into the calculation. I mean the influence of the electric telegraph. In the absence of the telegraph who could operate in times of trying scarcity ? It was only the large merchant who could send forward large cargoes. The smaller man would be lost in the event of fluctuations. The telegraph equalises prices. The small man on the Exchange is as well informed as the largest man; and so the monopoly which kept up the prices of tea and sugar and large commodities no longer exists because every man is put on the same footing. I venture to believe that the electric telegraph and increased communication by locomotive will account more than any other cause, for the great fall in price during the past ten years, alluded to by the right hon. gentleman.

Mr. Grenfell: I wish to express my agreement with everything which has fallen from Mr. Goschen, but I desire to make one remark with respect to wages to which attention has not been called by any speaker as yet. We have heard from Mr. Goschen that the consequence of what he so eloquently described—the diversion of a large portion of gold from those channels, in which, under other circumstances it would have been flowing, has been that which political economists might have prophesied, namely, that there would be a fall in prices. He told us that there might have been a fall in the price of wages, and there has been no fall. A previous speaker has told us in point of fact that there has been a fall in the price of wages in the manufacturing district, and I think in the trades in the coal district there can be no doubt there has also been a fall. But Mr. Goschen has pointed out that in the agricultural wages there has been no such fall, and he attributed it to a certain extent to the fact that there has been a general concurrence of sentiment in the community, that the price of wages in agricultural districts were too low, and that consequently they have not fallen. But here presents itself to my mind a ·ᐧtion of that question to which I should like to call the attention

of Mr. Goschen, and that is, that it is a great question how large a portion of the agricultural labourers in point of fact are depending upon debtors, and how large a portion upon creditors. If the immense increase of wealth of the metropolis and manufacturing districts makes those who have made their fortunes regard the possession of land more as a playground than as a place where productions take place, there can be no doubt whatever that as that increases, the wages of these districts will either rise, or escape the fall which would otherwise take place; because, naturally, those persons, who have settled themselves upon land by the fortunes they have made, are more apt to regard the question of wages in this district as one of sentiment and not as one of agricultural production. But the position of the farmers at the present moment, who are, so to speak, the bread manufacturers, is that while the goods in which they deal have steadily fallen in price, they have to suffer also from the rise or constant state of wages in those districts. I think that how far the wave of such prosperity as I have named has extended is a very important item in the consideration of the reasons why it is that wages have not fallen in agricultural districts to a much larger extent than apparently they have done.

Mr. JOHN B. MARTIN: There are one or two points in Mr. Goschen's address in which I take a particular interest, and I venture to comment on them. Mr. Goschen took the average production of gold annually at £20,000,000, and on the authority of Mons. Laveleye he deducted £10,000,000 for the purposes of the arts and manufactures. The question of the amount of gold devoted to arts and manufactures was discussed before the Statistical Society, and though I cannot bear the exact amount in mind, I think that estimate of Mons. Laveleye is in excess of that given on the occasion to which I refer, when I think the amount was stated at six, five, and as low as two millions.*

Mr. GOSCHEN: Over the whole of Europe, or in the United Kingdom?

Mr. JOHN B. MARTIN: Over the whole world. Now, among the purposes to which this annual number of millions is devoted, Mr. Goschen says a certain amount is devoted to the maintenance of the currency. I should like to ask him what amount of gold present or past Governments have devoted to the maintenance of the currency, or whether he is in a position to say what amount the present or the next Government intends to devote to it. That is a question in which this Institute has previously

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* *Journal of Statistical Society*, June, 1879: Mr. Stephen Bourne's paper, and discussion therein: the estimate of Messrs. Tooke and Newmarch was then quoted, being £2,000,000. See, also, report of Committee of House of Commons on depreciation of silver, 1876, when Mr. E. Seyd estimated the amount at £5,555,000 annually from 1848 to 1875.

taken some interest, and to which we hope time will bring an answer. Then, in regard to the remaining £10,000,000, Mr. Goschen said that was the amount of gold practically available for pocket money, and the sum required to settle the balances of the increasing transactions of daily intercourse. Now, in regard to the amount required for settling these balances, I remember that in 1880 I submitted to this Institute some figures, which I drew up myself, showing that the London banker then made exactly the same percentage of his payments, in coin, viz., one per cent., as he did in 1864; and, therefore, no doubt, those transactions having increased, a larger amount of gold would appear to be necessary, that is, as regards the London bankers only. But Mr. Goschen said that in the meantime the banking world had rather stood still, and he quoted the high authority of Mr. Giffen. The paper that Mr. Giffen read in 1879 said that England was already fully banked. I may be allowed to quote an equally eminent statistician—Mr. Newmarch—who, in an important paper read at the Statistical Society, showed the increase in the number of banks, and I took the liberty of embodying his researches in my own paper read before this Institute two years ago. This showed that whereas in 1851 the number of banks was 1 to 15,000 of the population, in 1880 the number of banks was 1 to 9,000 of the population, and therefore the number of banks has greatly increased. The number of cheques for small transactions has greatly increased, and, therefore, there is a great economy in the use of coin. And there are other subsidiary measures to which Mr. Goschen did not allude, such as the institution of the Cheque Bank, which is essentially a scheme for economising the use of coin and practically increasing paper circulation; and there is also the greatly increased use of the Post Office Order and of Postal notes, which certainly do economize the use of gold. Therefore, I venture with great diffidence to submit to this society and to Mr. Goschen, that banking facilities have very greatly increased during the last few years, and have tended to economize the use of gold, and, therefore, an increased population does not require an equally increased amount of gold. To what extent that may have taken place I am not able to say, but this is an instance of that which Mr. Goschen told us was the intention of his paper—to suggest lines of inquiry and not to dogmatize on any theory. I will very briefly take one other point. Mr. Goschen told us that the fall in prices might be held to be accounted for by the increase in the production of food products especially, but at the same time he set off on the other side the increase of population. Now, without having any figures before me I will ask whether it is possible that increase in population has kept pace with the enormous increase we see in the wheat grown in America, and with the increase of other products. It was only yesterday a gentleman told me that there is this year an increase of half-a-million tons over

last year in the beet sugar grown in Germany, and that this increase is not owing to an exceptionally good crop, but to increase of cultivation: I do not think that the population can have kept pace with that.

Mr. MARTIN WOOD: Without emphasising the comparison which the gentleman near me has drawn—the historical comparison—between the great uneasiness as to the depreciation of gold in 1848 as compared with what is called the appreciation now, I will put it in this way: Does Mr. Goschen think that its appreciation now is greater in extent and more likely to be durable in its results than was its depreciation in 1848? No one is so well able as he is to give an authoritative opinion on this large question. As to the selection of the year 1873 we must agree that that was a period of inflation; but there is one permanent cause arising at that time: A great stimulation of production took place then. That has largely influenced the increased production and low prices of commodities that prevail at present.

The CHAIRMAN (Mr. Herbert Tritton, who had taken the chair in the absence of Mr. Martin): In asking you to pass a hearty vote of thanks to Mr. Goschen I may say we have been considering the swing of the pendulum from one side to the other, and the result of the appreciation of gold. It seems to me a fact worthy of mention, that Captain Burton, the great discoverer and explorer, has within the last few days published a book recounting his experience on the Gold Coast, and if his ideas are correct we may in a few years time be considering not the appreciation of gold, but the depreciation of gold. I desire to move a most hearty vote of thanks to Mr. Goschen.

Mr. GOSCHEN: I beg to thank you most cordially for the vote of thanks you have given me. I do not know if it is customary on these occasions to say anything in reply to questions, but I will at all events not detain you more than a few moments. One word was dropped by a speaker, on which I wish to comment, and that is the word "alarm." I hope by the whole of my address I did not convey alarm to any persons' minds. On the contrary, I was anxious to show that although there might be a large fall in prices, and discomfort during a transitional state, nevertheless, there was no real call for alarm. In fact, I would hope that manufacturers in the country would see that in these circumstances there is rather ground for hope than ground for alarm, and that an apparently inexplicable depression is really due to causes which can be analysed, and which do not point to any future danger to commerce and industry or any very great disturbances. Well then, with regard to the selection of the year 1873 for comparison, that point has been answered by Mr. Giffen, and I would only add that the differences between 1873 and 1883 are certainly enormous, but that an attentive study of the figures of the period between those years, will show it is a gradual decline, corresponding very much to the withdrawals of gold. A gentleman alluded to the quarters from which the 200 millions which have

gone to other countries, may have come, and he suggested that a portion has been supplied by farmers and others who are less well off than before. That may be so to a slight extent, but against that I put the somewhat remarkable point, that the Bank of England estimates that there are £20,000,000 more in circulation in England in 1880 than there were in 1870. If that estimate is correct, it is an absolute confirmation of the fact that the increase of demand amongst all classes has absorbed a certain quantity of gold; but I recommend to all economists here, and to every member of the Institute, that it would be exceptionally valuable if they would discover whence the £200,000,000 of gold have really been taken, because they could not have come from the mines of the world. There is one more important point, namely, about the amount used in arts and manufactures. Here is an extract from M. Laveleye. He quotes the authority of M. Neumann Spallart, who publishes a yearly return of the commerce of the world. He gives the various estimates recently made with respect to industrial consumption. He states that the English economist, Mr. Fawcett, puts it at 500,000,000 francs—that is £20,000,000 sterling. I did not quote this figure to the Institute, because it seemed to me such an extremely high figure, and I could not believe that one of our ablest economists should have committed himself to such a statement. Mr. Pierpoint, examined by the American Monetary Commission, estimates the amount from 250,000,000 to 270,000,000 francs—that is about £10,000,000 sterling. In the United States, according to the Director of the Mint, industry has absorbed £2,000,000 sterling. That is a distinct statement by an official of the United States. France takes at least as much. In 1876 we were rather surprised to hear of the amount of gold consumed in the United States. It is £2,000,000; say £2,000,000 for France; £3,000,000 for England and Holland; and then there is India, which takes for consumption a considerable amount, so that the total may range between £5,000,000, and £10,000,000. Of course it is impossible to say; but I wish to show the gentlemen of the Institute that I did not commit myself to any rash statement. I really do not know that I need answer any further questions, considering the lateness of the hour, except to say that I entirely acknowledge the enormous importance of the question which Mr. Hankey alluded to, namely, the question of wages. If wages had fallen also, then commodities would have fallen in a much greater ratio. It would be entirely misrepresenting the general situation if we were not to bear in mind that the element of wages constitutes an enormous and important element in the whole of this matter. But with regard to the other point which Mr. Hankey mentioned, that the cost in workhouses of the food and clothing of paupers is not diminished, I confess I cannot understand it, because tea is cheaper, bread is cheaper, clothing is cheaper, and coffee is cheaper, and as for meat, I presume the paupers are not

treated to very much of it. If they have repairs to do, wood is cheaper and building materials are cheaper, and that being so, I venture to say that workhouses ought to show a diminished expenditure in many respects. But I entirely acknowledge the point which is raised by Mr. Hankey, that an investigation into the conduct of our great establishments might throw considerable light upon this important question. I thank you most heartily for the attention with which you have listened to me.

APPENDIX.

THE following further remarks by Mr. GOSCHEN were published in *The Times* of Monday, the 7th instant :—

Various comments have been made by able critics on the views which I have lately put forward with regard to the increased purchasing power of gold. May I be allowed to submit some further considerations to the public on this important subject ?

My argument may be briefly condensed as follows :—

Gold to the amount of nearly £200,000,000 has been required for supplying Germany, the United States, and Italy, with new gold currencies.

This extraordinary demand fell on a diminished supply. The annual production of gold during the first five years after the discoveries of 1851 averaged nearly £30,000,000. It now amounts to less than £20,000,000. The new demand has been equal to the total supply of ten years. At the same time we have to reckon with the normal demand for arts and manufactures, while more gold has also been required to meet the wants of an increasing population and an increased balance of transactions in all gold-using countries.

No evidence is before us to prove that a fresh development of banking expedients has to such an extent further economized the use of gold as to neutralize this normal rate of increase. On the contrary, it is believed that in England alone the gold circulation has grown by £20,000,000 in ten years.

It is a received axiom that prices of commodities are affected by changes in the volume of the circulating medium in which they are expressed. The late strain on the common stock of gold must, therefore, have had some result. It must have caused a general decline. Examined by the test of present prices, these deductions are borne out by facts. A general fall has occurred, though exceptional circumstances have maintained the prices of some articles and accelerated the fall of others far beyond the average.

But this general decline is not in itself a calamity. The period of transition from a higher to a lower set of prices is likely to be accompanied by much real suffering and more apparent suffering. But when the change has been accomplished, commerce and manufactures may prosper as before. The final disturbance will be limited to those cases where individuals or corporations have permanent contracts either to receive or to pay fixed sums of gold, and to those further cases where exceptional circumstances of habit, convenience, or sentiment will probably come into play.

Such is my argument. In its main lines it seems to be unassailable, though I may have failed in some of my illustrations, and have dwelt too little on qualifying circumstances. If my position is to be attacked, it must be shown either that I am wrong as to the existence of the cause which I allege, or that the results which I maintain to have followed cannot be traced, or that my description of the facts as to gold and as to low prices may both be correct, but that it cannot be proved that the former have led to the latter; or, lastly, the general argument may be admitted, but its particular applications be disputed.

No serious contentions have been put forward that I am wrong as to the strain upon gold. My allegations as to prices have been more seriously questioned. To those who deny a fall in prices altogether, I would only say that, even if they were right, the extraordinary demand for gold cannot have been without a result. On this hypothesis it must, at least, have had an effect in restraining a rise. If it is contended that prices are not low, as I contend they are, it must in any case be admitted that they would have been higher if the circulating medium in which they are expressed had not been called upon to perform largely increased work without a proportionate increase in the supply. It is impossible to assert such a cause to have had no effect.

But nine statisticians out of ten not only admit a decline in prices, but have been expatiating on it for several years. It may be true, as alleged, that I might have made a better comparison than between the years 1873 and 1883. I certainly do not contend, and have not contended, that the general fall is measured by the difference between these years. Indeed, no single years would afford a proper measure. Fortunately, calculations exist by which we may gauge the scale of prices over periods ranging back as far as the years 1845-50. In the "Commercial History," published every year by the *Economist*, so-called index numbers are given, representing the results of an ingenious calculation of the wholesale prices of twenty-two of the most important commodities of our markets in successive years. The "total index number" does not present a full and accurate representation of the variations of prices, inasmuch as the relative importance of the different articles is not allowed for; but, nevertheless, even with the needful qualifications, it affords important inferences. The numbers of the table are as follows:—

Years.	Total Index No.	Years.	Total Index No.
1845-50	2,200	1875, January 1 ...	2,778
1857, July 1... ...	2,996	1876, January 1 ...	2,711
1858, January 1 ...	2,612	1877, January 1 ...	2,723
1866, January 1 ...	3,564	1878, January 1 ...	2,529
1867, January 1 ...	3,024	1879, January 1 ...	2,202
1870, January 1 ...	2,689	1880, January 1 ...	2,538
1871, January 1 ...	2,590	1881, January 1 ...	2,376
1872, January 1 ...	2,835	1882, January 1 ...	2,435
1873, January 1 ...	2,947	1883, January 1 ...	2,343
1874, January 1 ...	2,891		

The teaching of these figures is obvious. Notwithstanding some fluctuations, the continuous low prices since the year 1878 will at once strike the eye. It is true that the lowest point was reached on the 1st of January, 1879. The exceptional character of the disastrous year 1878 will be remembered. Three bad harvests had followed in succession, and, to crown all, the Glasgow Bank failed in October, 1878, an event followed by a general collapse. There was some recovery from these exceptional disasters in the following year, but, with the strain on gold at work, that large rebound in prices which has been the almost invariable result after a collapse has not been witnessed, and the last four years, even omitting the year 1879, show a lower average than any years given in the table since 1850.

But the low prices for individual articles supply an even more valuable proof of the existing state of things than the "total index numbers." It is worth while to compare prices on the 1st of January, 1883, with the average prices of the period 1845-50. The total index number for the latter is 2,200, for the former 2,343. (If tobacco were excluded, which shows a very considerable rise, due in part, I am inclined to believe, to some confusion of qualities in the calculation, the total index number for the two dates would be exactly the same.)

Taking 100 as the basis of the price for each article in 1845-50, the relative value of coffee is now 82, sugar 60, tea 76, wheat 77, cotton 89, flax and hemp 68, oil 100, copper 80, iron 79, lead 83, cotton wool (Pernambuco) 78, cotton yarn 100, cotton cloth 92—that is to say, all these articles are lower, or as low as they were five-and-thirty years ago. On the other side the following articles are only slightly above the prices of 1845-50—viz.:—Timber 108, tallow 111, sheep's wool 106, and indigo, leather, butchers' meat, and raw silk alone, besides tobacco, show a considerable rise, standing at 190, 139, 145, and 126 respectively.

I am bound to say that I am myself astonished to see in the case of how many articles prices have gone back to the rates which prevailed before the gold discoveries in 1850. I was scarcely prepared to find that, taking an average of the most important articles of consumption, almost the whole of the advance in prices consequent on the immense increase in the supply of gold thirty years ago has been lost. Even should this not be so to the full extent, I think it will be admitted that I have, at least, furnished substantial additional proof that prices are at present ranging on a very low level.

But very natural remonstrances have been made to me. "It is all very well to speak of low prices in statistical tables, but is it true that prices have so far fallen to the individual purchaser and to the spender of money as to establish the proposition that a sovereign goes further?" This question is so interesting and important that I should like to examine it more fully in a future letter. At present, I will confine myself to pointing out that, especially in the expenditure of the upper and middle classes, the purchase of commodities forms by no means the largest part; on the other side are house-rent, rates and taxes, wages, travelling, children's education, and numerous other items for what I may call "services rendered," and it can easily be shown why the prices paid for "services rendered" do not fluctuate with the same rapidity as market prices. In many cases tradition, or a professional code, or an actual law has fixed an immutable scale. However the purchasing power of gold may fluctuate, the physician, the singing-master, the dentist receives the traditional guinea, the lawyer his 6*s*. 8*d*., the cabman his legal 6*d*. per mile.

But the chief item of "services rendered," and one requiring the fullest examination, is the question of wages generally. The length at which you were good enough to report the earlier portion of my address at the Bankers' Institute naturally precluded a full report of its concluding part, in which to a certain extent I discussed both wages and house-rent. The question of wages would form part of any further disquisition on the purchasing power of gold as regards "services" as distinguished from commodities generally.

I now turn to the objections made, not to my contention as to low prices, but as to their resulting from the particular cause which I have discussed. Granting, it is asked, that prices are exceedingly low, can you prove that facts connected with gold are the determining cause?

Some writers have appeared to show something approaching to irritation at the view that the situation of gold should have largely influenced prices. I scarcely know why, unless through the apprehension that the bi-metallist may utilize the argument. I must repeat that to my mind the connexion between the additional demand for gold and the position of prices seems as sound in principle as I believe it to be sustained by facts. On the other hand, I cannot plead guilty to the charge which has been made that I have overlooked

or denied the existence of other causes. I enumerated as possible contributory causes, the increased facilities of communication, the operation of the telegraph, the progressive elimination of the profits of middlemen in international commerce, decreased speculation, and increased production. At the same time, it is clear that many of these causes were almost as fully developed during the period 1870-75 as during the years 1875-83. They must have contributed over a course of years to cheapen the cost of many commodities, but to my mind they do not account alone for the prices of the last five years. Bad harvests in England have, no doubt, also operated to a considerable extent, but it is not in England alone that the fall in commodities has taken place. Nor has the average of prices risen with the better harvests of the last two years.

With regard to the deductions to be drawn from my general argument as to the probable effects on commerce and manufactures of a lower level of prices generally, I had no time at the Bankers' Institute to enlarge sufficiently on a very important point. To the manufacturing community, I think, it is a matter of the highest moment to consider whether the present range of prices is still the result of what is called "depression," of absence of prosperity, of slackened demand, and so forth; or whether we have to deal with the circumstance that prices are affected by a change in the purchasing power of gold. If the latter view is correct, the sooner men make up their minds to it the better. They will then cease to base their operations or found their hopes on the return to a scale of prices which would, under existing circumstances, represent even higher prices than before. So long as men think that the low price that an article may command simply means bad business, so long we shall hear of the decline and sickness of our commerce, though the volume of our exports and imports may be quite satisfactory. It is surely important that men's minds should be clear in this respect.

As I have repeatedly stated, it would be most unwise to dogmatize or to prophesy where the operation of causes is so covered and obscured by countless modifying circumstances, but it is none the less right to trace them and bring them into light as far as it is possible.

With one further point I should still wish to deal within the limits of this letter. Several acute correspondents have pointed out an error on my part with reference to the probable effect of the enhanced value of Gold on the price of Consols. My argument was substantially this:—Consols entitle the holders to a given number of sovereigns; these sovereigns will command more commodities; therefore, the instrument conveying these sovereigns will be proportionately more valuable. This is absolutely correct. But it was not correct to add that this greater value would be expressed in a higher quotation. Though Consols will become more valuable to the holder, more valuable if measured in commodities, it does not

necessarily follow that their price would be higher. Their sale for the same number of sovereigns would represent a larger return. A stockholder receiving 100 sovereigns as purchase-money, under the new state of things would be receiving more value than when he received 100 sovereigns under the old state of things. Clearly Consols *would not fall* like other commodities, and, indeed, would be more valuable, but that greater value would be adequately expressed by their retaining the same market price as before. Theory does not, therefore, absolutely require that they should rise. It is probable, nevertheless, that not only would they retain their price, but that they would be more in demand, and that therefore they would rise in price after all. The disposition of the market would be in favour of an investment which was not partaking in the general decline, and which was steadied by the very fact that it conveyed a revenue in gold which had an upward tendency as compared with other commodities all tending downwards. I do not, however, overlook the fact that other circumstances have combined to raise the price of Consols.

GUARANTEES.

By J. R. PAGET, Esq., of the Inner Temple, Barrister-at-Law.

THE subject of guarantees is naturally one of interest and importance to bankers. The old idea of a banker being a mere depository of actual funds has become effete, the exigencies of modern trade requiring that he should on occasion assume the part of a lender, supplying the funds necessary for the temporary needs of his customer. Prudence, however, demands security for such advances, and security can usually be given only in one of two ways, either by the deposit of valuable property, which in case of default can be applied by the banker in liquidation of his customer's obligations, or by the guarantee of some solvent third person. Both these methods have given rise to a large amount of litigation, with the usual result of overlaying the subject with a superstructure of doubt and legal refinement, and producing results never contemplated by the parties when they entered upon the original transaction. We propose in the present paper briefly to deal with some of the legal subtleties which beset the path of a banker who permits a customer to overdraw in reliance on a presumably good guarantee.

The more ordinary characteristics of a guarantee are, we take it, well known. It must of course be for good consideration: in writing, and signed by the guarantor or his agent lawfully authorized. Any omission of this latter elementary precaution would drive the banker to the obviously hopeless contention that credit was given to the guarantor in the first instance, and that the money was practically advanced to him though actually drawn by the customer, an argument scarcely likely to commend itself to either judge or jury. Alike, however, in this respect, guarantees being instruments settled by the parties themselves present a large variety of features, both as to their nature and terms. One main division is into guarantees limited and unlimited, and with regard to this division a very important distinction arises. A limited guarantee may by its terms be limited as to the part of the account to which it is to be applied, as where it is in this form—"I will be liable for the amount which A.B. shall owe you, subject to this limitation, that I shall not be called on to pay more than £250." On the other hand, it may be limited as to the total amount to be recovered, *e.g.*—"I will be liable for £250 of the amount which A.B. shall owe you." The distinction is a refined but clearly recognised one, and the consequences are that in the first case the guarantee, though in fact restrictive, extends to

the whole debt, and so the guarantor is entitled on the bankruptcy of the principal debtor to any dividends the creditor may receive; while in the latter case the guarantee is absolute to the specified amount, and therefore the guarantor is not entitled to dividends on the bankruptcy of the principal debtor. In the face of consequences so serious, and depending on so slight a variation in wording, it would seem to be always advisable that the guarantee should specify that the amount guaranteed shall be independent of any dividend received from the estate of the principal debtor, and shall enure as a security for any amount owing after the receipt of any such dividends. Care must moreover be taken in the framing of limited guarantees that the limitation applies only to the amount guaranteed and not to the amount advanced, otherwise the guarantee might be invalidated by an unintentional advance beyond the specified amount; and terms might easily creep into a hastily drawn guarantee which might have this effect. Thus, a banker wishing to limit the sum that might be required of him might frame a guarantee thus:— "In consideration that you will advance to A.B. a sum not exceeding £250, I will guarantee you the payment of that amount," the probable result of which would be that an advance of more than £250 would render the guarantee void *in toto*. Apart from some such special provision, however, it would appear that a banker does not prejudice his security by advancing more than the amount covered by the guarantee. Guarantees absolutely unlimited as to amount are rare, and call for no special remark.

Another dangerous attribute of guarantees is that, in the absence of express provision in or necessary implication from their terms, any change of the firm guaranteed or of the firm to which the guarantee is given exonerates the guarantor from any liability in respect of future advances. This risk apparently always existed by the common law of the country, on the doctrine that such change of firm in either case constituted an alteration of the contract into which the guarantor had entered, so that he was no longer bound thereby, but it was distinctly declared by the 19 and 20 Vict., c. 77, sec. 4. It seems hard to say how the party to whom the guarantee is given necessarily becomes aware of a change in the firm guaranteed, if the firm or partnership name remains the same. A close inspection of the *Gazette* for the dissolutions of partnerships, or a form of guarantee providing for and obviating such contingencies, would seem to be the alternative safeguards, and of the two the latter would be unquestionably the safer course. The fact that either the guaranteed party or the party to whom the guarantee is given is a joint-stock company would seem to import such a necessary implication as would exclude the operation of this rule, and it has been held that the change of name of a banking company to which a guarantee had been given, the company remaining substantially the same, did not invalidate the security.

With regard to the second division of guarantees into specific and continuing, this distinction depends on the somewhat unsatisfactory criterion derivable from the terms of the instrument and the surrounding circumstances, so that here again a guarantee cannot be too explicit to the effect that it is to be a continuing one for all advances made and moneys due during its currency. A simple guarantee in such terms as "In consideration of your advancing A. B. £250, I hereby guarantee you the payment of that amount," would be obviously discharged when £250 had been once advanced and covered by payments. But there are a variety of shades and expressions far less distinct, of which the effect would be the same, the danger arising from which is only to be avoided by the use of the clearest possible terms, as for instance, by specifying that "no payment received by you shall be taken in reduction of the liability on this guarantee, and this guarantee shall always be a continuing and standing guarantee for the amount due to you at any time from the said A. B."

Where the time for which the guarantee is to last is specified, a question might occur as to the security afforded by the guarantee for moneys advanced before, but not payable until after the date of the expiration of the guarantee. Say the guarantee is to continue in force until December 31st, 1883. Does this cover advances made before December 31st, 1883 but for a period extending beyond that date, for instance, a loan granted on December 25th, 1883, for six months, repayable June 25th, 1884, or a promissory note at six months, drawn and discounted in December, 1883? The same answer must be given here as in other points, it depends on the form of the guarantee. If the guarantee contains a clause securing repayment of all advances made by discounting bills or notes or otherwise, it would cover such cases; if the guarantee was for "any amount due," it would not, inasmuch as the amount so advanced would not be due until after the expiration of the guarantee. If both clauses, as might be very possible, occurred inconsistently in the guarantee, the contradiction would probably make it doubtful what view a court might take of the question, although on the whole I am disposed to think the construction would be taken more strongly against the guarantor, and he would be held liable for such advances on the principle, now established to include guarantees, that all instruments are to be construed most strongly against the maker.

The next point to be considered with regard to guarantees which in their terms are continuing and not limited by time, is as to the effect thereupon of the Statute of Limitations. Now, the primary doctrine is that the statute can only begin to run in favour of the guarantor as against the creditor from the date at which a cause of action accrues against the guarantor, and no cause of action can accrue against the guarantor until there has been a default on the part of the principal debtor. The first point, therefore, to fix is

what constitutes a default on the part of the principal debtor. Now, in the ordinary cases, sales of goods or loans of money, a cause of action accrues to the creditor against the debtor at once, and a default arises contemporaneous with the sale or the loan. Where a definite term of credit is given or a bill or other security is taken for the loan, the cause of action and the default arise on the expiration of the credit or the maturity of the instrument, without any further demand on the part of the creditor; and, viewed in the light of separate transactions, each overdraft on a banker, or each dishonoured bill or note, constitutes a default on the part of the customer, inasmuch as in the absence of express agreement there is no obligation on a banker to let his customer overdraw.

At the same time it it obvious that in the ordinary course of dealing between banker and customer such overdraft or dishonour is not practically treated as a default. Sums are credited and debited to the customer with the result of producing a fluctuating balance, at one time in favour of, at another against the customer, and a balance is struck at specified intervals. The point cannot be said to be absolutely free from doubt, inasmuch as some old cases would seem to point in the opposite direction; but the case of Hartland *v.* Jukes, 32 L. J., Ex. 162, appears to justify the conclusion that at any rate it is only when a final balance is struck and the result is against the customer that he can be said to be in default. It might well be contended that a guarantor would be estopped from disputing that such was the case, inasmuch as the very object of the guarantee is the extension of a certain amount of credit to the principal debtor. It may be that the calling upon the customer to pay is not absolutely necessary to complete the default, but a modern court would probably hold that it was. On such default of the principal debtor a cause of action arises against the surety, and it is laid down in the text books, and not altogether unsupported by authority, that such cause of action is complete and the statute begins to run in favour of the surety from that date without any notification of the default to or demand of payment from the surety. But the case of Hartland *v.* Jukes is clearly opposed to this view. In that case the executor of a guarantor was sued in 1862 by a bank for a debt due in 1855, from one Courtney, a customer. The statute was set up as a defence, and Pollock, C.B., in delivering the judgment of the Court in favour of the Plaintiff, said, "It was contended before us that the statute began to run from the 31st of December, 1855, by reason of the debt of £179 1*s.* 11*d.* then due from Courtney, the customer, to the bank, but no balance was then struck, and certainly no claim was made by the bank against the Defendant's testator in respect of that debt, and we think that the mere existence of the debt, unaccompanied by any claim by the bank, would not have the effect of making the statute run from that date." The better opinion would therefore seem to be that the statute does not begin to run in favour of the

guarantor, until the customer's account has been closed with a balance against him, payment has been demanded of the customer, and such demand has not been complied with, and notice of these facts has been given to, and payment demanded from the surety.

The next important branch of the subject is, as to appropriation of payments made by the principal debtor. Say that a banker holds a continuing guarantee for £500 for a customer's account, he allows that customer to overdraw first £500, and subsequently another £500; the customer then pays in £500 without appropriating it to any specific purpose, and afterwards becomes absolutely insolvent, without the means of paying another penny. What is the position of the banker towards the guarantor with respect to the balance of £500, in the absence of any special terms in the guarantee affecting the question? In ordinary cases of current accounts the following rule obtains. The payer can at the time he makes it, appropriate the payment to any particular item. If he refrain from doing so, the payee may at any subsequent time appropriate it to any debt outstanding against the payer, even though such debt should be statute-barred; failing such appropriation, either by payer or payee, each successive payment is applied to the earliest item in the account. But there is another principle of law, enunciated in the case of Pearl *v.* Deacon, 1. De G. & J. 461. and recognised in Kinnaird *v.* Webster, 10 Ch. Div., 139, which overrides the rule above stated. This principle is, that where a creditor has two debts against the same debtor, one of them secured, the other not, he is bound to apply all payments to the secured debt in preference to the unsecured. So that in the supposed case the guarantor would be exonerated, and the banker would be the sufferer to the extent of the £500. It would, moreover, be doubtful whether even an appropriation by the payer to the unsecured debt could hold good to the prejudice of the surety—probably not. There is, therefore, considerable danger in allowing a customer to overdraw to a greater amount than is covered by the guarantee.

There remains only one point of which to treat, namely, the methods by which a creditor may discharge the surety, by dealing with the principal debtor behind the back of such surety. Of these the most common is the giving time to the principal debtor, either by definite agreement to that effect, founded on good consideration, or by taking a bill or note, which suspends the legal remedy until its maturity. The principle on which such discharge is based is that thereby the creditor precludes for a period the guarantor from exercising his right of paying the debt and suing the principal debtor, and inasmuch as all guarantees are revocable on the terms of paying all then due, it would seem that, in the absence of express provision, the creditor would not be entitled to do anything which would prevent the debt due from the principal debtor being immediately recoverable. A strict interpretation of the rule would therefore [illegible] all discount transactions, and the same doctrine would apply

to the taking of any security in substitution for, and not as purely collateral to the debt. But, as a matter of practice, these contingencies are always provided against by the form of the guarantee, and they are mentioned here rather as indicating one of the precautions necessary in the drafting of guarantees than as a present danger to bankers.

Such are the main incidents of guarantees as they occur in banking practice, and it cannot be denied that they are somewhat dangerous instruments. The same legal decisions, however, which import much of the danger have the counterbalancing advantage of disclosing the means of avoiding such danger, and the best safeguard for a bank is to keep its own carefully drawn forms of guarantee, suitable to various cases and providing for all possible contingencies, and to insist on these and no others being entered into before money is advanced on the security of a third person.

CLEARING HOUSE RETURNS.

Sir John Lubbock has published the subjoined Statistics, which have been prepared by Messrs. Derbyshire & Pocock, the Inspectors of the Clearing House. They show the working of the Bankers' Clearing House for the year ended on the 30th April, 1883, which is the sixteenth during which these Statistics have been collected. The total amounts for the sixteen years have been :—

(000 omitted, thus :—£1,000 = £1,000,000).

	Total for the Year.	On 4ths of the Month.	On Stock Exchange Account Days.	On Consols Settling Days.
	£	£	£	£
1867–1868	3,257,411	147,113	444,443	132,293
1868–1869	3,534,039	161,861	550,622	142,270
1869–1870	3,720,623	168,523	594,763	148,822
1870–1871	4,018,464	186,517	635,946	169,141
1871–1872	5,359,722	229,629	942,446	233,843
1872–1873	6,003,335	265,965	1,032,474	243,561
1873–1874	5,993,586	272,841	970,945	260,072
1874–1875	6,013,299	255,950	1,076,585	260,338
1875–1876	5,407,243	240,807	962,595	242,245
1876–1877	4,873,000	231,630	718,793	223,756
1877–1878	5,066,533	224,190	745,665	233,385
1878–1879	4,885,091	212.241	811,072	221,264
1879–1880	5,265,976	218,477	965,533	233,143
1880–1881	5,909,989	240,822	1,205,197	265,579
1881–1882	6,382,654	256,654	1,379,194	299,788
1882–1883	6,189,146	242,581	1,169,315	253,545

The following remarks on the foregoing figures have been communicated :—

The total amount cleared in the past year is shown to be £6,189,146,000, as compared with £6,382,654,000 cleared in 1881-2, showing a falling off amounting to £193,508,000. An analysis of the details of the return will show that there is here no cause for regret, still less for apprehension. The payments on Stock Exchange Account Days exhibit a decrease of £209,879,000, and those on Consols Settling Days of £46,243,000; being together more than £60,000,000 greater than the decrease in the general total, thus showing that the [illegible] the country has not declined. The amounts cleared on the

4ths of the months have decreased by £14,073,000 and afford a slight manifestation of the scarcity of bills that has existed for some time past, they lead also to the inference that payments by cheque have been largely substituted for bills, at least in transactions of moderate amount. This is confirmed by an estimate which has been made of the amount of Country Cheques cleared in London during the calendar year 1882. Making the calculation upon the same basis as that adopted for former estimates which have been communicated to the Institute,* the amount arrived at is £425,000,000, as compared with £400,000,000 in 1881, and £380,000,000 in 1880, showing a continuance of steady increase.

The general totals for 1882-3 may also be profitably contrasted with those for 1872-3. If allowance be made for the great inflation of prices of all sorts of commodities in the earlier year named, and they be compared with the depressed prices now ruling, as was pointed out by Mr. Goschen in his late address before the Institute, there are solid grounds for believing that the increase of £185,000,000 indicates a very solid increase in the trade of the country.

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* See *Journal*, vol. II., p. 80.

POST-DATED CHEQUES.

THE following correspondence has taken place with the Inland Revenue Department :—

17, WHITEHALL PLACE, S.W.,
20th March, 1883.

SIR,

Bills of Exchange Acts, 1882, and *Stamp Act,* 1870.

We have the honor to request information on the following point affected by the above Acts :—

A. (drawer) gives B (payee) a Post-dated cheque on C. (A's banker)—B. hands it to D. (B's banker) for collection—D. presents it for payment before the date which it bears arrives, and C. declines to pay it on the ground that it is Post-dated and so marks it, adding (for fear of a question arising on the point afterwards) the date on which it was presented and so refused.

When the date the Cheque bears arrives, D. again presents it to C. for payment, and it is again refused by C. *on the ground that as he has knowledge that it was post-dated he would incur a penalty* under clause 54 (1) Stamp Act 1870, if *he paid it without an* ad valorem *Stamp.*

We shall feel obliged by you informing us whether C. would incur a penalty if he had paid the draft without an *ad valorem* Stamp.

We have the honor to be, Sir,
Your most obedient Servants,

V. HOLT & Co.

The Secretary
Inland Revenue Office,
Somerset House, W.C.

INLAND REVENUE,
SOMERSET HOUSE, LONDON, W.C.,
11*th April*, 1883.

GENTLEMEN,

In reply to your letter of the 20th ultimo, I have to acquaint you that a Post-dated Banker's Cheque, payable on demand (either to order or bearer), and drawn on a penny stamp is valid even in the hands of a person who, when he took it, knew that it was Post-dated.

I may refer you to the decisions in the cases of Bull *v.* O'Sullivan (L. R. 62; B. 209,) and Gatty *v.* Fry (L. R. 2 Exch: Division 265.)

I am,
Gentlemen,
Your obedient Servant,
F. L. ROBINSON.

Messrs. V. Holt & Co.

17, WHITEHALL PLACE, S.W.,
13*th April*, 1883.

SIR,

We are favoured by your letter of the 11th instant, but beg to say that the point on which we chiefly as bankers seek official guidance is—

Whether by paying a Cheque, which he knew to be Post-dated, the Banker on whom it is drawn incurs a penalty by paying it, under the existing Stamp Act, 33-4 V. C. 978.-54 (1)?

Trusting that we may be favored with information on the above point, upon which your letter above quoted does not touch.

We have the honor to be,
Sir,
Your most obedient Servant,
V. HOLT & CO.

The Secretary
Inland Revenue,
Somerset House, W.C.

INLAND REVENUE,
SOMERSET HOUSE, LONDON, W.C.,
23*rd April*, 1883.

GENTLEMEN,

In reply to your letter of the 13th instant, I am directed by the Board of Inland Revenue to state that a Post-dated Cheque drawn on a penny stamp being valid, the Banker cannot incur any penalty by paying it.

I am, Gentlemen,
Your obedient Servant,
F. L. ROBINSON.

Messrs. V. Holt & Co.

QUESTIONS ON POINTS OF PRACTICAL INTEREST.

THE COUNCIL desire to express their readiness to receive at all times questions which are of general interest, and in regard to which it would appear desirable to assimilate the practice of bankers.

The following questions have been received, and answers are appended, which, after careful deliberation, the Council have approved:—

QUESTION I.—A branch bank cashes under running advice to "honour" cheques the cheques of a customer of the advising branch; or one banker does the like under similar advice from another banker.

Would the branch or banker so cashing a cheque to order be liable in the event of forgery of the payee's endorsement, or be considered as merely acting for the party advising, and be free from any liability that would not also attach to the party advising? How would the decision in *Ogden* v. *Benas* affect the case?

ANSWER: We think that a branch bank cashing a cheque would be subject to the same liability, and no more, as would attach to the advising branch upon which the cheque was drawn.

We think one banker cashing a cheque under advice from another banker would, upon the principle laid down in *Ogden* v. *Benas*, be liable to the true owner in the event of forgery of the payee's name. Whether he would be entitled to indemnity from the advising banker would depend upon the terms of the arrangement between them, and, assuming that the arrangement were such as to entitle him to indemnity, the right of the advising banker in his turn to be indemnified by his customer would also depend upon the terms of the arrangement between them. It would be advisable in all cases where a banker is asked to cash a cheque not drawn upon him, that a clear arrangement should be made with regard to the respective liabilities, otherwise questions of great nicety might arise.

Question II.—A cheque payable to "A. B. or order" is endorsed "C. D. or order A. B." Does it require the endorsement of C. D.?

Answer: We can find no case in point, but it is evidently A. B.'s intention to endorse the cheque specially to C. D. or order. We think that the word "pay" would be implied before the words "C. D. or order," and that the latter's endorsement would be necessary.

Question III.—A customer is in the habit of sending up a clerk to the bank to pay in credits and to obtain cash for wages cheques (such cheques drawn by the customer himself) one day the clerk presents a cheque drawn on another bank, payable to and endorsed by his employer, and asks for the cash for it, which the banker gives him.

In the event of the clerk having stolen the cheque, and absconding, who loses the money, the changing banker or his customer?

Is not the course of dealing such as to warrant the banker looking on the clerk as the acknowledged agent of his employer? and, besides, does not the endorsement of the customer render him liable?

Answer: The question is whether the banker can be considered as the holder of the cheque in good faith and without notice that his title is defective. We think that he can; that upon obtaining payment of the cheque from the banker upon whom it was drawn, he is entitled to the money, and that the loss would fall upon the customer.

Question IV.—If the cheque be crossed "& Co." would that alter the decision?

Answer: We do not think that if the cheque were crossed "& Co." it would make any difference. The crossing of a cheque "& Coy." does not limit its negotiability, but only makes the banker upon whom it is drawn liable to the true owner if he pays it otherwise than through a banker.

Question V.—Is it legally right to pay an uncrossed cheque over the counter bearing the words "not negotiable" unless the payee is positively known to be the person set forth in that instrument, or must it be passed through a banker?

Answer: Neither the "Crossed Cheques Act, 1876," nor the "Bills of Exchange Act, 1882," which has superseded it, seems to have provided for the words "not negotiable" being placed upon an uncrossed cheque, and their being so placed does not appear to impose any duty or responsibility on the banker on whom the cheque may be drawn.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. March 28. 1	1883. April 4. 2	1883. April 11. 3	1883. April 18. 4	*1883. April 19. 5*
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	*£*
Notes issued	37,129	36,753	36,293	36,079	*38,313*
Government debt	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,735	4,735	4,735	4,735	*4,735*
Gold coin and bullion	21,379	21,003	20,543	20,329	*22,563*
	37,129	36,753	36,293	36,079	*38,313*
BANKING DEPARTMENT.					
LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	*14,553*
Rest	3,807	3,802	3,087	3,092	*3,108*
Public deposits	10,846	11,571	7,183	6,999	*5,505*
Other deposits	22,865	22,260	23,708	22,976	*24,880*
Seven day and other bills	166	193	216	199	*253*
Total	52,237	52,379	48,747	47,819	*48,299*
ASSETS.					
Government securities	13,362	13,360	14,347	14,335	*13,383*
Other securities	25,910	27,339	22,902	22,182	*21,638*
Notes	12,026	10,742	10,543	10,372	*12,206*
Gold and Silver coin	939	938	955	930	*1,072*
Total	52,237	52,379	48.747	47,819	*48,299*
Notes in the hands of the Public	25,108	26,011	25,751	25,706	*26,107*
Reserve	12,965	11,679	11,498	11,302	*13,278*
Proportion of reserve to liabilities (per cent.)	38·27	34·32	36·96	37·45	*43·33*
Rate of discount	3 %	3 %	3 %	3 %	*3 %*
	March 29.	April 5.	April 12.	April 19.	*April 20.*
RATES OF EXCHANGE ON LONDON.					
Paris, cheque— (par £1=25f. 22½ c.)	25·22	25·23½	25·23	25·22	*25·23½*
Berlin, 8 days— (par £1=20m. 43 pf.)	20·43½	20·41½	20·44	20·43½	*20·45*
New York, 60 days— (par £1=$4·867)	4·81	4·82	4·83¼	4·82¾	*4·86¼*
Calcutta, 4 m/d— (per rupee)	1s. 7⅛d.	1s. 7 1/16d.	1s. 7⅜d.	1s. 7⅜d.	*1s. 8⅜d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus: £1,000=£1,000,000.

For the weeks ending	1883. March 29. 1	1883. April 5. 2	1883. April 12. 3	1883. April 19. 4	*1882. April 20. 5*
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	*£*
Public deposits	4,916	4,436	4,480	4,685	*16,044*
Private deposits	19,491	17,192	16,689	17,044	*19,320*
Notes in circulation	113,177	115,455	115,284	114,976	*107,761*
Other items	12,592	12,883	12,853	12,565	*13,000*
Total	150,176	149,966	149,306	149,270	*156,125*
ASSETS.					
Gold	39,910	39,836	39,697	39,870	*35,116*
Silver	42,156	42,136	41,705	41,817	*45,875*
Bills	37,962	37,124	38,101	37,071	*44,321*
Advances	18,087	18,159	18,080	18,098	*18,385*
Other items	12,061	12,711	11,723	12,414	*12,428*
Total	150,176	149,966	149,306	149,270	*156,125*
Rate of discount	3 %	3 %	3 %	3 %	*3½ %*
	March 31.	April 7.	April 14.	April 23.	*April 22.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£	£	*£*
Notes in circulation	38,997	37,885	36,201	35,909	*36,267*
Current accounts	8,981	9,718	10,195	10,301	*8,629*
Other items	7,027	7,014	7,003	6,998	*6,933*
ASSETS.					
Coin and bullion	30,836	30,750	30,831	31,260	*27,934*
Bills and Loans	21,183	20,991	19,668	18,969	*19,052*
Other items	3,314	3,202	3,234	3,345	*5,247*
Rate of discount	4 %	4 %	4 %	4 %	*4%*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. March 3. 1	1883. March 10. 2	1883. March 17. 3	1883. March 24. 4	1883. March 31. 5	*1882. April 1.* 6
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).						
LIABILITIES.	£	£	£	£	£	£
Notes in Circulation	3,309	3,322	3,321	3,271	3,315	*4,019*
Net Deposits	61,251	59,682	57,923	56,382	55,989	*57,128*
ASSETS.						
Loans and Discounts	65,494	65,036	63,934	62,576	62,026	*62,244*
Specie	11,066	10,304	9,710	9,599	9,817	*11,720*
Legal Tenders	3,783	3,583	3,416	3,405	3,360	*3,230*
Legal Reserve (being one-fourth of net Deposits)	15,312	14,920	14,480	14,095	13,997	*14,283*
Reserve held (consisting of Specie and Legal Tenders)	14,849	13,887	13,126	13,004	13,177	*14,950*
Deficit	463	1,033	1,354	1,091	820	*667**
	March 28.	April 4.	April 11.	April 18.		*April 19.*
MISCELLANEOUS.						
Clearing-house returns............	£ 72,507	£ 151,249	£ 107,048	£ 144,908	...	*£ 148,951*
Average price of wheat	42s. 4d.	42s.	42s.	42s. 1d.	...	*45s. 11d.*
Price of consols	102⅜	102¼	102⅜	102½	...	*101⅞*
Bar silver, fine, per oz. standard	50⅜d.	50⅜d.	50 7/16d.	50⅜d.	...	*52⅜d.*
3% French Rentes	80·22½	80·57½	79·77½	79·35	...	*84·2½*

* Surplus.

The Institute of Bankers.

JUNE, 1883.

REPORT *of the* COUNCIL *for the* FINANCIAL YEAR *ended* 31*st December*, 1882, *and for the Session* 1882-83, *to the* 30*th April last*, *to be presented at the* FIFTH ANNUAL GENERAL MEETING *of the* INSTITUTE OF BANKERS, *held in the Theatre of the London Institution, Finsbury Circus, E.C., on the* 16*th May*, 1883.

J. HERBERT TRITTON, Esq., in the Chair.

The circular convening the Meeting having been read, the following Report was then presented :—

REPORT OF THE COUNCIL.

IN presenting their Fourth Annual Report, the Council again congratulate the members on the satisfactory position of the Institute.

The register of members now contains the names of—

13 Life Fellows,
356 Fellows,
5 Life Associates,
498 Associates,
901 Members,

1,773

as compared with the total of 1,771 at the corresponding period of last year.

A glance at the previous reports will shew that while the number of Fellows and Associates has been in a marked degree progressive, there has been some fluctuation in the number of Ordinary Members. The total strength of the Institute, however, exhibits a nominal advance (the effect being an increase of income, at a reduced expenditure).

The following figures shew the *net* income of the Institute during the four years of its existence :—

1879.			*1880.*			*1881.*			*1882.*		
£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*
1,377	11	11	1,577	7	11	1,924	2	5	1,951	8	0

The Council take this opportunity of reminding Ordinary Members that even the increased subscription of half-a-guinea does not meet the average cost of their grade, and they trust that those Members who have, since their election, become eligible as Associates or Fellows, will submit themselves for election to the higher grades.

Since the last annual general meeting eight ordinary meetings have been held, at which the following papers were read :—

SESSION 1881-82.

Wednesday, 17th May, 1882.—Mr. ROBERT W. BARNETT read a paper on "The National Banks of the United States of America.

The Annual General Meeting was held previously to the reading of Mr. Barnett's paper.

SESSION 1882-3.

Wednesday, 18th October, 1882.—Mr. EDWIN BRETT read a paper on "The History and Development of Banking in Australia."

Wednesday, 15th November, 1882.—Mr. M. D. CHALMERS read some "Notes on the Bills of Exchange Act, 1882."

Wednesday, 20th December, 1882.—Mr. WILLIAM FOWLER, M.P., read a paper on "The Circulation of Notes under £5."

Wednesday, 17th January, 1883.—Mr. J. S. FLEMING, F.R.S.E., read a paper on "The Theory and Practice of Banking in Scotland."

Wednesday, 21st February, 1883.—Mr. R. H. INGLIS PALGRAVE read a paper on "The Deficiency of Weight in our Gold Coinage, with a proposal for its Reform."

Wednesday, 25th March, 1883.—Mr. JOHN SMITH read some "Notes on the Government Bankruptcy Bill of 1883."

Wednesday, 18th April, 1883.—The Right Hon. GEORGE J. GOSCHEN, M.P., delivered an address on "The Probable Result of an Increase in the Purchasing Power of Gold."

In the *Journal* will be found a full report of the discussions which have arisen upon the subjects of the several papers.

THE BILLS OF EXCHANGE ACT.

In their last Report, the Council sketched the action they had taken in regard to this Bill, which was prepared under the joint auspices of the Institute and the Associated Chambers of Commerce, and they now record with pleasure the successful result of the efforts that have been made. It will be remembered that at the time the last Report was issued, a Select Committee of the House of Commons was engaged in considering the Bill, and to complete its history it is only now necessary to add that on reaching the House of Lords it was there referred to a second Select Committee and again carefully examined. On the last day of the Session it received the Royal Assent and the Act came into immediate operation.

A copy of the Act was published in the *Journal* for November last, and at the November meeting Mr. M. D. Chalmers, the draughtsman of the Bill, traced the Parliamentary history of the measure in its progress through the two Houses. A report of this meeting and the attendant discussion will be found in the *Journal* for December last.

The Council do not hesitate to congratulate the Members on the success which has attended the action of the Institute. The Bills of Exchange Act is the first instance of codification in the Statute Book, and the consolidation of the law which it effects cannot fail to be useful to the mercantile community.

The thanks of the Institute are due to the President, Sir John Lubbock, who introduced the Bill into the House of Commons, and to Mr. R. B. Martin, Mr. A. Cohen, Sir Farrer Herschell, Mr. Whitley, Mr. Cohen, Mr. Lewis Fry, Sir Hardinge Giffard, Mr. Monk, Lord Bramwell, Lord Fitzgerald, and others, who were instrumental in effecting the passage of the Bill through both Houses.

The Bankruptcy Bill.

The action which the Council have taken to procure an amendment of the law relating to bankruptcy has been detailed in previous reports, and in the *Journal* for February last a recapitulation was published of the former action of the Institute in the matter.

In the March number of the *Journal* reference will be found to a Bill, entitled "The Bankruptcy Bill No. 2," which has been drafted by Mr. M. Muir Mackenzie, under the instructions of the Institute, with the object of giving the creditors more power over the property of the debtor. The Bill has been introduced into the House of Commons by the President, Sir John Lubbock, and was read a second time on March 19th, and on the following day the House went into Committee, the further consideration being deferred.

The Gold Coinage.

The deterioration of the gold coinage has several times occupied the attention of the Institute, and the various papers which have been read on the subject have elicited many valuable suggestions, with a view to its reform. Last session Mr. John B. Martin read an exhaustive paper on the subject, and during the session under review Mr. R. H. Inglis Palgrave read a further contribution at the February meeting. As a result of Mr. Palgrave's paper, and, in pursuance of the resolution passed at that meeting, a committee has been appointed to consider the best means of bringing the subject prominently forward. The Committee have drawn up a circular, which has been sent to every bank in the United Kingdom, inviting them to return, on forms sent them for the purpose, the aggregate

amount of gold held by them on a given day. A copy of this circular, and the forms accompanying it, will be found in the *Journal* for April last.

The Committee are now engaged in investigating the returns, made in compliance with the circular.

The *Journal* of the Institute which has now entered upon its fourth volume, was published eight times during the year. As a record of the transactions of the Institute, as a magazine of information on matters affecting bankers, and as a medium for the ventilation and discussion of questions of banking interest, the *Journal* has proved eminently successful, and the Council are encouraged to believe that it will continue to meet with the same favour that has hitherto been accorded to it. The sale of the *Journal* amounting during the year to £93, shews an increase over any previous year, a fact which may be regarded as a practical indication of the growing popularity of the publication.

The usual index, with a complete list of the Members, a catalogue of the reference library, and other information, were circulated concurrently with the January number of the present year.

The Council again record their sense of indebtedness to the Honorary Editor for his valuable assistance.

The number of "Questions on Points of Practical Interest" shews no diminution. Answers to the questions received, after careful consideration by the Council, have been duly published in the *Journal*, and, when necessary, the opinion of the law officers of the Institute has been obtained upon them.

The results of the examinations for the Certificate of the Institute, held in May of last year, have been already published. The number of candidates was 34 against 22 in the previous year. In the final examination one member only, Mr. J. A. Hamilton, passed, while in the preliminary examination 10 were successful. A number of candidates presented themselves for examination in some of the subjects only, but their names will not be published until the completion of the entire course.

As on former occasions, examinations were conducted by Fellows and Associates of the Institute at Manchester, Liverpool, and other centres, and the thanks of the Council are due to those gentlemen who by kindly superintending the examinations brought them within the reach of Members residing at a distance from the metropolis, who could not otherwise have availed themselves of them.

The lamented death of Professor Jevons, who had acted as examiner on Political Economy since the institution of the examinations, caused a vacancy which has been filled by the appointment to the post, of Mr. H. S. Foxwell, Professor of Political Economy at St. John's College, Cambridge.

The following is the subject of the Prize Essay for the year 1882, for which a first prize of £20 and a second prize of £10 were offered :—

> "On Possible Improvements in the Practical Details of Banking Business, directed either to simplify Transactions between Bankers and Bankers, or between Bankers and their Customers."

The Essays sent in competition were not however of a sufficient standard of merit to enable the Council to award any prizes ; but the practical character of the subject, and the interest which its careful treatment would attract, have induced the Council to repeat it for the present year.

In November last Mr. D. T. Robertson retired from the Council on severing his connection with the Bank which he represented. The Council have elected Mr. Hugh Lewis Taylor, of the Bank of Victoria, to fill the vacancy thus caused.

The arrangement with the London Institution remains in force and continues to give satisfaction. During the year some valuable additions by donations and purchase have been made to the Institute's Library, a catalogue of which was circulated among the members in January last.

The Council desire to express their continued readiness to receive donations of books in order that the Library may be maintained in an efficient condition.

The Treasurer's account which accompanies this Report will speak for itself, and it will be seen that the Reserve Fund has been further increased to its present figure of £325 10*s*. by the investment of additional life subscriptions. The income from investments has increased in like measure.

A balance sheet of assets and liabilities at the 31st December, 1882, is also appended, and from it the financial position of the Institute may be fairly gauged.

The Council feel assured that the successful results of the past year, both as regards the financial position of the Institute, and the value and utility of the work undertaken, will be satisfactory to the Members. The prediction of continued progress which found expression in the last report has been abundantly fulfilled, and in point of prosperity, the present year bids fair to prove no exception to any of its predecessors.

RICHARD BIDDULPH MARTIN, Esq., M.P., *Treasurer, in account with* THE INSTITUTE OF BANKERS,
for the year ended 31*st December*, 1882.

Dr.

	£	s.	d.	£	s.	d.
To Balance, as per last Statement ...				253	2	5
" Life Subscriptions—						
4 Fellows at £21	84	0	0			
2 Associates at £10 10s.	21	0	0			
				105	0	0
" Annual Subscriptions—						
345 Fellows at £2 2 0	724	10	0			
5 " 1 1 0	5	5	0			
462 Associates at 1 1 0	485	2	0			
22 " 0 10 6	11	11	0			
900 Members at 0 10 6	472	10	0			
7 " 0 5 3	1	16	9			
				1,700	14	9
" Examination Fees				8	10	0
" Sale of *Journal*				93	9	0
" Income from Investments				28	0	9
" Postage Fees				4	5	0
" Circulating Library Fees				0	13	0
" Annual Subscriptions, 1883, paid in advance				10	15	6
				£2,204	10	5

Cr.

	£	s.	d.	£	s.	d.
By Expenses, namely—						
Rent of Offices	132	5	0			
London Institution	100	0	0			
Secretary's Salary	225	0	0			
Occasional Clerk and Office boy	50	7	6			
Printing and Stationery	684	7	10			
Advertising	16	19	6			
Reporting	27	4	6			
Solicitor and Counsel	37	3	0			
Postages	105	14	10			
Examination Expenses	73	10	0			
Petty Cash and Sundries	15	7	3			
Literary Work for *Journal* ...	61	10	0			
				1,529	9	5
By Cost of Furniture for Offices				10	13	6
" Cost of Books for Reference Library				20	4	1
" Purchase of £98 16s. 1d. Metropolitan 3½ per Cent. Stock ...				105	0	0
" Cash at Bankers—Current Acct.	183	17	3			
Do. Deposit "	350	0	0			
				533	17	3
" Petty Cash in Secretary's hands				5	6	2
				£2,204	10	5

Audited and found correct,

JAS. M. BARNES,
CHAS. WICK, } *Auditors.*

8*th February*, 1883.

Dr. *Balance Sheet of Assets and Liabilities, 31st December, 1882.* Cr.

LIABILITIES.	£	s.	d.
Annual Subscriptions paid in advance	10	15	6
Balance in favour of the Institute	1,153	17	11
	£1,164	13	5

ASSETS.	£	s.	d.	£	s.	d.
Cash at Bankers	533	17	3			
Petty Cash in Secretary's hands	5	6	2			
				539	3	5
Investments, as per last Statement	220	10	0			
Purchase of £98 16*s.* 1*d.* Metropolitan 3½ per cent. Stock	105	0	0			
				325	10	0
Office Furniture, as per last Statement	70	0	0			
Additional Purchases	10	13	6			
	80	13	6			
Less amount written off	30	13	6			
				50	0	0
Books in Reference Library, as per last Statement	120	0	0			
Additional Purchases	20	4	1			
	140	4	1			
Less amount written off	40	4	1			
				100	0	0
Journals in Stock. Estimated value at cost price				150	0	0
				£1,164	13	5

Audited and found correct,

JAS. M. BARNES,
CHAS. WICK, } *Auditors.*

8th *February*, 1883.

The following list of Fellows proposed as Officers and Council of the Institute for Session 1883-84, is in accordance with the eleventh clause of the Constitution submitted for the consideration of the meeting. Those marked * are either new members or retiring members who offer themselves for re-election.

President.

*RICHARD B. MARTIN, Esq., M.P.

Vice-Presidents.

*H. L. ANTROBUS, Esq.
*R. C. L. BEVAN, Esq.
*W. BECKETT DENISON, Esq.
*SAMPSON S. LLOYD, Esq.
*Sir JOHN LUBBOCK, Bart., M.P., F.R.S.
*F. H. INGLIS PALGRAVE, Esq.
*R. B. WADE, Esq.
*Sir SYDNEY H. WATERLOW, Bart., M.P.

Treasurer.

JOHN B. MARTIN, Esq.

Council.

H. F. BILLINGHURST ...	London and Westminster Bank, Limited.
JOHN H. BUTT	Australian Joint Stock Bank.
HAMMOND CHUBB ...	Bank of England.
ROBERT DAVIDSON ...	Bank of Scotland.
JOHN DUN	Parr's Banking Company, Limited.
CHARLES CHAMBERS ...	Provincial Bank of Ireland.
R. N. FOWLER, M.P. ...	Messrs. Dimsdale and Co.
J. HOWARD GWYTHER...	Chartered Bank of India, Australia & China.
*A. S. HARVEY	Messrs. Glyn & Co.
LUKE HANSARD... ...	Messrs. Martin and Co.
W. F. NARRAWAY ...	London Joint Stock Bank.
WILLIAM HOWARD ...	London and County Banking Co., Limited.
A. G. KENNEDY	City Bank, Limited.
W. C. MULLINS	Chartered Bank of India, Australia & China.
CHARLES T. PRAED ...	Messrs. Praeds and Co.
F. G. HILTON PRICE ...	Messrs. Child and Co.
*T. G. ROBINSON	National Provincial Bank of England.
*Hon. H. D. RYDER ...	Messrs. Coutts and Co.
*ROBERT SLATER ...	Union Bank of London.
*JERVOISE SMITH ...	Messrs. Smith, Payne and Smiths.
H. L. TAYLOR	Bank of Victoria.
*HERBERT TRITTON ...	Messrs. Barclay and Co.
T. R. WILKINSON ...	Manchester and Salford Bank, Manchester.
ROBERT WILLIAMS, Jun.	Messrs. Williams, Deacon and Co.

The CHAIRMAN: We have now the ordinary business of the Annual Meeting to perform. The report is in your hands, and I presume you will take it as read. I beg to move, "That the Report, with the Treasurer's Accounts annexed thereto with Balance Sheet of assets and liabilities, be adopted." You will see with satisfaction that the year has been a prosperous one, on the whole, for the Institute, the income having been slightly in excess of that of last year. There has been a progressive increase since the formation of the Institute of a highly satisfactory character, and we have every reason to look forward with confidence to the ensuing year. Whether or not the Institute has fulfilled the expectation of those who founded it, is not, perhaps, for me to say; but that we have filled a gap in the banking world—and a gap of some importance—I, for one, am well assured. The expectations which were formed when we came into being were, I know, large. It took us, of course, some little time to get into fair working order, but during the last two or three years we have been in that order, and we have accomplished, I humbly venture to submit, so far as my individual opinion goes, a great deal, if not all, of what was expected of us. We have been able to take in hand and discuss amongst ourselves many of the questions affecting bankers and banking upon which there was, more or less, a divergence of opinion. In some of these questions, if not all, the action of the Institute has been such as to lead to a greater amount of uniformity both of opinion and in practice than formerly existed; and I think we may fairly take credit for having accomplished this. Then with regard to the papers upon matters of considerable importance, both from a theoretical and practical point of view, which have been submitted to the meetings in this place, I venture to think that those have been of a standard of excellence which we may fairly congratulate ourselves upon. The later papers have been certainly quite up to the mark, and I need not say the last paper of all to which we had the pleasure of listening, from a gentleman of such eminence as the Right Hon. G. J. Goschen, was of superlative importance from every point of view. On one other point also the Institute may, I think, be fairly led to congratulate itself, and that is, that we have had some considerable influence in moulding legislation. I refer, of course, more particularly to the Bills of Exchange Bill, which was safely piloted through Parliament after the ground had been thoroughly prepared for it by the Council of the Institute of Bankers. We are, I think, at the present moment able to foresee, so far as anything can be foreseen, that most of the improvements in the law of bankruptcy which were urged in this room as necessary, have been either adopted, or, at any rate, have obtained an amount of attention from those in authority which is gratifying, to say the least of it; and we may hope, I think, to see the most important of those improvements embodied in the law of the land before the present session of Parliament is over. On these three

points, then, the Institute may fairly congratulate itself. You will find that the report deals with those last two items to which I have adverted, and also with the "Gold Coinage," under a separate heading. This, you know, is a matter of great importance to banks and bankers, and is now being investigated by a sub-committee of the Council. I do not know that there is any other body in the kingdom which could have taken up that subject in the way in which the Council of this Institute has been able to take it up. On the whole, the result may be said to justify the course that you gentlemen have taken, and which we, as the Council, adopted. Without further remarks than to express my regret, and the regret of the Council, at the absence of our president, Sir John Lubbock, and Mr. R. B. Martin, our treasurer, both of whom are naturally anxious to seize the opportunity of the Whitsuntide holidays and to get away from all work, I beg to move the adoption of the report and the accounts annexed thereto.

Mr. Wm. Howard having seconded this resolution, it was carried unanimously.

The Chairman said: You will observe, on looking at the paper, that Sir John Lubbock retires from the post of President; and he writes this letter with reference to it:—

10th May, 1883.

Dear Mr. Agar,

I very much regret to find that it will be impossible for me to be present at the Annual Meeting of the Institute of Bankers, but I expect to be in Italy that evening.

Will you be so good as to express to the members my grateful sense of the invariable kindness I have experienced from them during the time I have had the high honour of presiding in the Institute.

Permit me also to thank you for your very able and most valuable assistance.

I am, yours very truly,

W. T. Agar, Esq., JOHN LUBBOCK.
Sec., Institute of Bankers.

The Council, of course, were very reluctant to accept the resignation of the presidency from a gentleman who held so high a position in the Banking and scientific and social sphere as Sir John Lubbock, but he urged us to do so, on the ground that a change was beneficial for all parties concerned. In accepting his resignation, we only did so on the understanding that he would not thereby in any way diminish his interest in the Institute. He takes his place, as you will see, as a Vice-President of the Institute. This makes a vacancy in the office of President, and the Council recommend that it shall be filled by Mr. Richard B. Martin, M.P., our treasurer, one who has been intimately associated with us almost from the inception of the scheme, and to whose untiring energies and perseverance in all matters in which the Institute was at all interested,

much of our success is owing. The Vice-Presidents will be Mr. H. L. Antrobus, Mr. R. C. L. Bevan, Mr. W. B. Denison, Mr. S. S. Lloyd, Sir John Lubbock, Mr. R. H. Inglis Palgrave, Mr. R. B. Wade, and Sir Sydney H. Waterlow. For Treasurer, we propose Mr. J. B. Martin, whom we are glad to have associated with us in an official capacity. The Council will practically be the same as last year, with an important addition in the shape of Mr. A. S. Harvey, of Messrs. Glyn, Mills & Co. (their General Manager), whom we are also glad to welcome amongst us, and who will be, I am sure, an important addition to our working capacity. I will now propose a vote of thanks to Sir John Lubbock for the very able manner in which he has fulfilled the duty of the office of President of the Institute, since the commencement of the Institute. We are all greatly indebted to him for the interest he has shown, and the pains he has taken during the term of his office. I am sure you would also wish me to convey a vote of thanks in your name to the retiring Vice-Presidents, who have also shown considerable interest in the success of the Institute.

The resolution was carried by acclamation.

Mr. E. Brett and Mr. W. A. Steel having been appointed scrutineers, a ballot was taken, and on presentation of their report, the Chairman announced that the gentlemen named in the printed list, submitted in the report of the Council, were unanimously elected as the Officers and Council of the Institute for the ensuing year.

The following letter from Mr. Rae was then read:—

Fischer's Hotel, Clifford Street,
8th May, 1883.

Dear Sir John Lubbock,

I now write to say that I am wishful to offer a prize of £50 for—
"The best Essay on that system of bank book-keeping which shall combine "clearness and efficiency with the minimum of book entry and calcula-"tion: the Essay to include the best form of books, accounts, and "return, as between the head office of a bank and its branches."

I wish the competition, of course, to be limited to members of the Institute. All details as to time, and other terms and conditions, I leave entirely in the hands of the Council.

If the Council should deem it better to divide the prize into £30 for the first section and £20 for the second (branch book-keeping), I have no objection.

I remain, with respect,
Faithfully yours,
GEORGE RAE.

The Chairman: I am sure it will be your pleasure that a cordial vote of thanks be accorded to Mr. Rae for his generous offer of prizes for the subject stated in his letter.

A hearty vote of thanks was then given to the Council for their services for the past year, and acknowledged by the Chairman, who bore testimony to the able and efficient work rendered to the Institute by the Secretary, Mr. W. Talbot Agar.

Mr. RAE'S PRIZE ESSAY.

The following is the title of the Essay to which a Prize of £50 will be awarded at the meeting of the Institute, 1884. The Essays must be lodged with the Secretary on or before the 1st January, 1884:—

"*On that system of Bank Book-keeping which shall combine clearness and efficiency with the minimum of book entry and calculation. The essay to include the best form of books, accounts and return, as between the head office of a bank and its branches.*"

The following are the conditions laid down by the Council:—

Each Essay to bear a motto, and be accompanied by a sealed letter, marked with the like motto, and containing the name and address of the author; such letter not to be opened, except in the case of the successful Essay.

Without laying down any exact conditions as to length, it is suggested that the Essay should not exceed 75 pages (8vo.) of this publication.

The Council shall, if they see fit, cause the successful Essays, or abridgments thereof, to be read at a meeting of the Institute of Bankers, and shall have the right of publishing the Essays in their *Journal* one month before their appearance in any separate independent form; this right of publication to continue till six months after the award of the Prizes.

Competition for the above Prizes shall be limited to Members (including Fellows and Associates) of the Institute of Bankers.

The Council shall not award the Prizes, except to the authors of Essays, in their opinion, of a sufficient standard of merit.

The Essays must be legibly written and on one side of the paper only.

If further explanation is required, it may be obtained from the Secretary, at the Offices of the Institute, 11 and 12, Clement's Lane, E.C.

June, 1883.

The Institute of Bankers.

J. Herbert Tritton, Esq., in the Chair.

CAPITAL,

By ROWLAND HAMILTON, Esq.

[Read before the Bankers' Institute, Wednesday, May 16th, 1883.]

CAPITAL is a word which has long been familiar to us all, both in the practical affairs of life and in the more pretentious discussions of Political Economy. Such words naturally grow into use with many different shades of meaning according to their immediate associations, and in course of time will take up significations which are incompatible and misleading, though common usage may warrant these several applications of the term; and it would be mere pedantry to assert that one was *right*, and all others *wrong*. The subjects with which Economists have to deal have suffered much from dogmatisms of this kind. The questions involved are among the most complex and many-sided of any that can profitably occupy the human mind. The enquiry is still in the stage in which thorough investigation is the most essential part of the work to be done. More precise and distinctive names will follow more adequate perceptions of the facts with which we have to deal, and, meantime, we have above all things to be on our guard against taking words for facts, or, under the pretence of "scientific" definition, ruling out and dismissing from our minds conditions which are inseparable from the problems which have to be solved. The perfectly legitimate expedient of attacking complicated questions in detail has been too often most illegitimately abused, for, from narrow premises hypothetically assumed, conclusions have been deduced, and not merely stated in unqualified terms, but worse still, very generally

extended far beyond the due bounds of their application. Hence we have not only theories so far abstracted from the actual conditions of life as to be fit only for Laputa, but a supplementary multiplication of so-called "laws," which threatens to make the popular hand-books of Political Economy about as useless as an ill-digested index to the Statutes at large. The premature attempt to "exalt" it into an exact science leads only to obscurity and confusion.

Thus much in explanation of the method which I propose to adopt in this paper. I shall be very cautious in using or even suggesting precise definitions, but shall endeavour to show in what senses the term *Capital* has been understood, and how it came to bear these several meanings; and further, to describe what are the uses of Capital from an industrial point of view, and how these uses have never been wholly lost sight of, though sometimes thrown very much into the background. I shall have to deal directly with what are often termed the baser concerns of mankind, but ignore these as we may, it is not the less true that all life, the highest as well as the lowest, is based upon physical conditions, and the due supply and due distribution of those things needful for wants common to all, are essential to the health and wellbeing of the whole body corporate.

2.—I need not enter into any curious speculations as to how savage or isolated life may be maintained. It were out of place to talk of Capital except in connection with comparatively civilised and organised communities; nevertheless, the road will lay most clearly before us by starting with the consideration of the most simple and primary conditions.

Let us take, then, Natural Agents, Labour, and Capital, as the three essential requisites for production, or, to state the case in familiar terms:—If we have something on which to work, limbs to work with, and enough of food and other necessaries (the stored results of previous labour) to support the energies of life, we have all the material conditions which put the extended work of production fully within our power. If we do not avail ourselves of them it is from want of will or from want of skill—that is, from moral and mental, and not from physical incapacities. These fundamental truths may seem to be mere truisms, but simple as they are, we shall not get very far into our subject before finding that they are often forgotten or inadequately kept in mind when we come to deal with the conflicting interests which arise with complex organisations of industry. And even at this early stage it must be clearly recognised not only that all these three conditions must be severally fulfilled, but that the utility of each depends on the other two. Even in this short chain the available strength is that only of the weakest link, and the ever-recurring problem of industry is to find out how these three requisites can be brought together and adjusted in due proportion.

3.—Mr. J. S. Mill, however (Principles of Political Economy, Book I, cap. iv, sec. 1)—as it seems to me prematurely and incompletely—introduces very early in the course of his exposition the "intention" of the capitalist. "The distinction," he writes, "between Capital and "Not Capital does not lie in the kind of commodities, but in the mind "of the capitalist—in his will to employ them for one purpose rather "than another; and all property, however ill-adapted in itself for the "use of labourers, is a part of Capital so soon as it, or the value to be "received from it, is set apart for productive re-investment." This is open to the objection that it tacitly assumes the existence of an available supply of those things which are required to support labourers, which can be exchanged for property not suited for that purpose; an assumption which cannot safely be made without limitation, even in a country where wealth of all kinds is already abundant, still less in many of the less advanced countries which are within the limits even of the British empire. Practical experience often shows that the "intention" to supply Capital and actually supplying it are very widely apart. *How* it comes about that many things not directly fitted to support Labour come to be called and taken as Capital, I hope to show hereafter. Again, it is said (Book I, cap. v, sec. 1) "that industry is limited by Capital," which is indeed one side of a very important truth, but if property becomes Capital according to the intention of the *Capitalist*, this intention, and not the excess or deficiency of production, or the saving of products, would appear to determine the limits of the "wages fund," and why should not the owners of property supply Capital for all who "intend" to labour. Mr. Mill presents "the Capitalist" as both initiating productive work and paying the "wages of superintendence," as well as all other charges needful for carrying it out. But if production is thus made "a function" of Capital on the one side, why may not the labourer assume with equal justice on the other that it is "a function" of Labour. As Capital is the result of storing the products of Labour, the precedence in order of time is with the latter. We have, in short, not one concrete and valid truth, but one half-truth in mischievous opposition to another.

Taking the question in purely abstract and *static* form, it may be quite true that saving or "profit" implies the increase of Capital, and waste or loss its decrease; and further, that Capital employed successfully implies Labour employed "productively," at least within the range of economic enquiry. But in the affairs of actual life we do not mean by "a capitalist" any one who thus owns and employs a small amount of Capital. By the very nature of language names are given according to the distinguishing characteristics by which any class is best and most familiarly recognised, certainly not from some one accident common to many. Traders, manufacturers, shopkeepers, and even artisans, have all more or less Capital, but they are known according to the special work they do. And when we come

to ask with some discrimination what "the capitalist" of to-day actually does, we shall get the answer almost in the same terms as those which apply to Capital itself. Capitalists do not, as such, direct or employ Labour. They do discriminate between the employers of Labour whom they support, but this is the limit of their special function. The insight of those actually concerned in industry has been instinctively more sound than that of many of their instructors.

4.—I, therefore, hold fast to the strictly material and physical conception of these three requisites for "production," and shall not associate an intelligent intention with any one of them, but, regarding all alike as external to the discriminating mind and will of man, shall take rather the point of view of the "*entrepreneur*" who applies and adapts them to ends of recognised utility. We shall thus get more fully into accord with what we every day see around us: Capital, widely diffused and personally distributed by means of *Credit* to those responsible for the due use and employment of it, devoted with more or less knowledge and intelligence to the support of labour; Labour expended in like manner; while the same mental faculties scientifically applied in all directions are ever extending our dominion over "natural agents," and modifying the conditions under which Capital and Labour attain those results which men desire, though what men would desire, if they better "knew themselves," is a question beyond the scope of the present enquiry.

I propound the question rather in this form: Given these three requisites,—what can we do, or what can be done with them?—referring specially to Capital with which we are more immediately concerned. But, in order to carry on my argument without interruption hereafter, must first glance briefly at the conditions we have to deal with in all except the very lowest stages of society.

5.—The production of food and other primary necessaries of life is largely in excess of that required to maintain the workers themselves, and this aggregate of production maintains alike both those who can and do labour for the reproduction necessary, and those who do not or cannot so employ themselves with advantage. It is clear that it would be a mere waste of energy to produce more of these than is required for the wants of the whole community. Experience teaches that some stock must be reserved, to guard against the accident of loss of present stock or the failure to reproduce that required for the future, but, these once secured, there is no reason to work for average supply in excess of the average demand. When this special work does not absorb the energies of all the capable members of a community we have, potentially, both Capital and Labour which may be devoted to other purposes, for a certain amount only of energy is imperatively demanded by natural causes; the remainder is not

controlled by any such rigid necessities. It may be simply enjoyed. The uses and abuses of leisure, and how it may conduce to the recreation or the dissipation of our best energies, form a branch of the subject into which I need not here enter, though there is much to be said upon it even from a purely economic point of view. But looking to material "production" only, it is clear that any superfluity which can give pleasure is more useful than any excess of even the most necessary food. "Production" may therefore be rationally described as *necessary* or *optional*, though no precise line of demarcation can be drawn between the two.

It follows also that the dictum that industrial Capital is the result of saving is inadequate though no doubt it enforces a very important side of truth, especially as regards the relative position of individuals: still undue parsimony may greatly diminish the power of Labour and prevent that ample reproduction which places Capital most fully at our command. Broadly considered, the question turns rather on the application of surplus products already existing. A devastating war, to cite a common example, entails an amount of waste which engulphs all savings in a common ruin, yet experience shows that unless a country is poverty striken by the deficiency of Labour and Natural Agents, the loss is quickly made good as soon as industry can be reorganised. Wealth rather than Capital has been destroyed. Long continued war impoverishes a nation, not so much by the destruction of Capital as by the loss and demoralisation of Labour. Short of this extreme, Capital has not to be saved before Labour can be employed. Such a condition would involve actual famine and starvation, and that evil could not be remedied by two men doing the work of one in a vain attempt to accelerate the processes of nature. The difficulty after war is rather to train the men who have been maintained while fighting to turn their energies to the pursuits of ordinary industry. As far as this can be done, labour is at once available and is supported in peace from the same resources as would have supported it if war had continued. There is no fundamental truth which it so important to realise as that Capital is continually consumed, is indeed produced only to be consumed, and must be replaced by continuous reproduction; and further that it can conduce to the accumulation of wealth, or, equally, be devoted to any other purposes, only in so far as this reproduction exceeds the necessary consumption of those employed in this special work, and this result depends mainly on the relative efficiency of Labour.

6.—Some brief reference may here most conveniently be made to the doctrine of *Rent*. The land is the great source from which the support of all is drawn, and its recuperative power is such that under conditions which can more or less easily be fulfilled, Capital and Labour can be applied to it over and over again to secure the fruits which it yields to good husbandry. The word Rent (from

reditus) implies simply a return made by the cultivators to the owners of the soil and the extent to which in former times castles and Abbeys could be built and large bodies of retainers permanently maintained for purposes of war or ostentation, afford some measure of the excess of production just noticed. If all the soil tilled yielded more than was required to feed the cultivators and those associated with them to supply their other necessities, there is no physical reason why all land should not yield some rent: indeed in an agricultural country a land tax, or rent in this sense of the word, is the only adequate source from which a revenue for State purposes can possibly be drawn, though of course land so poor as only to yield a bare support to the cultivator can afford neither rent nor tax.

The economic doctrine of Rent is of a more abstract kind, and shows how a certain rent or premium will inevitably accrue, even under a system of free and open competition. The great fact on which it rests is that different returns are yielded to the same amounts of Capital expended to raise and convey the produce of the land to the consumer: or as it may be said with equal truth, the same returns are yielded to different amounts of Capital expended. Let farms be arranged as they may to secure the best economy of cultivation this difference will still arise, and as we may reasonably assume that the worst farms will not be taken up at all unless they afford an adequate remuneration to the cultivator, it follows further that as much will be earned after paying a proportionate premium for any of the better farms as by working on any one of those which do not naturally bear any such premium. Even under a complete system of communism, this difference would exist and would have to be taken into account in any possible scheme for equal division, though the amount and incidence of such rent will vary as between one farm and another with changes in agricultural skill and knowledge as affecting some soils more than others, with the extension of means of conveyance; and more generally with the increase or failure of different sources of supply, and with the increase or decrease of the population, and so on.

The difficulty of defining the extent of these differences, or determining the conditions of ownership of the great and primary Natural Agent, the quantity of which cannot be increased at will, does not justify us in ignoring their existence. I need not enlarge on the subject further than to point out the conclusion most pertinent to the present enquiry:—As far as actual rents comprise this premium only, they are in no way associated with the due cultivation of the soil. There is of course no reason why such rent, when received, should not be devoted to agriculture, but this implies a new application of Capital to modified conditions for the employment of Labour: under the conditions supposed it is evidently not wanted. If, however, such use can be found for it, the return earned, though included in the term Rent as commonly used, is in fact identical with what Adam

Smith calls "profits on stock." In Great Britain, at all events, "economic" rent as it accrued in course of time, has been more or less *clothed* and intimately associated with the industrial services of this kind : nevertheless this "premium" forms an important part of the whole, and, so far, we have the ownership of what is materially Capital (or the equivalent of it) not supporting or required to support that work of productive industry from which it is derived under existing conditions. Conversely it is quite possible for the owner of land naturally bearing a premium to take out his rent in idleness, and live in the scale of comfort usual in his class, though very imperfectly utilising the natural resources under his control.

The same considerations apply to the rent of land in towns. It arises from conditions which cannot be evaded. It may be taken from A and given to B, but as between man and man it will exist notwithstanding, though it cannot be, as such, in any way associated with productive industry. The owner can command the complete products of Labour without rendering any industrial service in return. I shall have to revert to this subject hereafter, and meantime return to some further considerations on the nature of Capital.

7.—The aid of machinery, the division and organisation of Labour, skilled and unskilled, largely increase the excess of production over necessary consumption in all branches of industry, and this division is not merely such as is shown in the making, say of a pin, where many members of one industrial family each contribute some part of the work to be done. Taking production, commencing from the first Capital and Labour applied to "raw materials," to the last required to put the completed product within reach of those to whose uses it is finally appropriated, the whole work is distributed among very many distinct sections. Thus we have, for example, the grower of cotton, the importer, the spinner, the weaver, the calico printer, the warehouseman, the retailer,—all subsisting as separate Trades, each and all dependent on very many other industries which are subdivided in like manner. But all these successive applications of Labour must be severally and successively supported, for the most part by Capital in its primitive form. We are apt to lose sight of this, especially in the more advanced stages, only because Capital in large sums is given for things which though yet incomplete have already had much expended upon them. They are taken or bought while still unfit for use only in order that they may be made available for the uses they are designed to subserve. Thus, B., say in the second stage, buys "materials" from A., C. from B., and so on. So that this word materials though derived from "matter," or natural agents on which all must work, often comes to be applied to that on which any one is bestowing further labour. Yarn is "material" to the weaver: flour to the baker. Further, each worker draws materials, not only from one, but from many other different workers who have preceded

him: so also as regards tools, instruments and machines, the very existence of which implies that such Capital has been expended upon them and consumed. The work of those also, who, without changing the form of the substances with which they deal, collect or distribute them as occasion may require is equally essential to all stages of production. All these items come into the general account of the cost of production which cannot be closed until the product passes finally into consumption.

The whole work is one of intelligent and laborious adaptation from beginning to end, and a failure to satisfy this condition in any one branch impairs the validity of the work of all. There are, indeed, some who to a greater or less extent use or consume their own products, but we have only to look at the manifold requirements of civilised industry to see how partial and limited these exceptional cases really are. No perfection of workmanship will render commodities acceptable which do not satisfy any recognised want or are in excess of the quantity required, and no perfection of distribution will remedy radical defects in workmanship. And there is yet another point to be noticed: All commerce is resolved into an interchange of the supply of those things which are held to be useful, profitable, or agreeable. Every one within this circle of industry works "for"—that is, in consideration of his own profit; and in no other way can acquire the means of supporting himself; but not the less must he also work "for"—that is, for the advantage of, those who in like manner accept the results of his labour for the satisfaction of their own wants.

Let me in this context add a word on the all important subject of National Education. We desire it to be thorough and well adapted to the varied needs of all classes, not only to enable everyone to get his own living, but also that he may render a better and more ample return for it. We desire it to be "liberal" in its degree, not only because the premature specialization of a child's faculties destroys his prospective power of adapting himself to the changing needs of industry, but also because the hearty co-operation of all classes cannot be secured without the capacity to recognise the incalculable benefits which everyone derives from those whose labours lie beyond the sphere of his own immediate observation.

8.—With the division of "function" arises a clearly defined ownership of merchandise and commodities as yet not available for use; each one taking primarily the responsibilities of his own share of the work required, and interdependence, though not the less absolute, becomes rather of a *general* than of a *personal* nature as industry is more fully developed. The very perfection of the machinery which gives effect to all the resources of industry tends not so much to obscure this *solidarity* of interests, as to suffer it to drop out of sight and out of mind. Any results material or immaterial of Capital successfully

employed, any values in almost any part of the world or represented by production in any stage, can be set the one against the other, provided always that the operation can be made complete, no matter by how circuitous a route, and an equivalent ultimately returned for each item of supply afforded. The use of money in forms modified to adapt it to the varied uses of civilized life especially preserves, not only the appearance but the reality of personal independence. By means of it the buyer selects just what he requires from all or any of those who have specific utilities to offer. The seller receiving money, may in turn become a buyer, but all special obligations between the two are at an end. But each one, though independent of any one other, is not the less cogently bound to carry on the special share of work he may have in hand towards its completion. All are independent only in so far as they enjoy a secure and acknowledged place in the circle of interdependence, and readily exchange the fruit of their labour for that of others. Whatever the perfection of the machinery by which labour is divided and sub-divided, however its products are collected and redistributed and set the one against the other till they pass finally into use or "consumption," this is the "*law*" of all production.

9.—I have used this word "production" strictly with reference to the *means* by which new forms of wealth can be and are created. It is with this that industrial organisation is concerned and from this point of view that the subject of Capital can most fairly be reviewed. I have not used it in any such sense as to imply generally the *objects produced.* As I have already said, the whole of the Capital required to support Labour is not devoted to the reproduction of that periodically consumed. A portion of the labour thus maintained may be optionally applied without incurring any danger of the supply running short which is required for the support of all. Taking production in the aggregate with reference to the objects or utilities produced it is impossible to give any satisfactory definition of its limits. Practically anyone who devotes Capital and Labour not for his own use but for the use of others, is within the circle of reproductive industry as long as he can find buyers for that which he has to offer. Consumers—and all are consumers—are as such, outside of it. Consumption or enjoyment is the *end,* and we have to consider the *means* of production, and it may be added that it is not the Capital of the "consumer" that supports the labour employed by those from whom he buys. The money by means of which his demand is made effectual comes to him either in virtue of his own labour, mental or physical, or of that of other producers whom he has supported, or upon whom he has acquired some valid claim, however remote or arbitrary. It is on this side only that his connection with productive Capital and industry can be traced, and the nature of the connection, if need be, critically examined. Artificial restraints

and monopolies increase the costs and difficulties of production, and we get most thoroughly at the issues involved by going directly to this part of the question, though the ultimate loss falls on the "consumer"—that is, on all or any of us *as consumers*, who thus have the closest interest in seeing that the work done for us is not needlessly impeded.

10.—Many things, however, which have passed out from the hands of the "producers" are not at once destroyed in the using. The use and enjoyment of them by the owner is extended over an indefinitely long period, and only in a very general sense can he be classified with "consumers." As having a house, furniture, books, pictures, and such like, he is so far in a much better position than if he had bought things which could only afford an immediate gratification. But are such forms of wealth as these rightly deemed Capital? Without assuming that "exchangeability is the sole essence and principle of wealth," it is quite true that in a prosperous country any form of it can, as a rule, be bought and sold with great readiness, for the desires of men, and more particularly of men in the same community, even when not governed by physical needs, will run very much in the same direction. Wealth of the kind referred to can be sold and other wealth of the same kind bought in its place, and a mere transfer from one hand to the other is the sole result. But what must be done if the owner of such wealth wishes to exchange it for such Capital as will support Labour. Putting the two for the moment in opposition, let us say, A. has wealth adapted to his own present use and enjoyment. B. the Capital, by the use of which he might earn a profit to be enjoyed hereafter. A merely takes the place of B and B the place of A. No new element is introduced. But while A, as B had to do before him, must devote his best exertions to produce that which will be vendible upon its completion and adapt himself to the existing conditions of industry so as to secure this result, B also, in his turn, need not be governed by any such rigid considerations. No further results follow except in so far as one rather than the other may be better able to control the Labour supported while actively carrying out the operations of industry. By a very fair figure of speech, the necessaries consumed for the maintenance of Labour may be described as *transmuted* into new utilities, but this cannot be said of wealth in forms which are not applicable to any such purpose. A rich man who buys a diamond ceases, so far, to have anything whatever to do with the working world—even as a consumer. He is for the time being a mere cypher in relation to it, and can only reverse his position by finding some one who will take his place on such terms as may be agreed upon between them. His diamond may have increased in exchange value, and in this case wealth may drive a better bargain with Capital, but only as regards the individuals concerned; and further, the owner of the jewel is

not merely changing the nature of his wealth, but the way in which he is to employ his energies.

11.—The modified term "fixed" Capital is applied to certain intermediate results of Capital expended: such as tools, machinery, factories and so on. Skilled and organised Labour is especially dependent on such prior applications of Capital as produce these adjuncts which so greatly increase its effectiveness. They do not, however, *support* Labour, but serve rather to economise the further and second application of Capital which is required to utilise them. The support of Labour and the economy of the use of it are very different conceptions, and the distinction between the two must be clearly kept in view. The ultimate result is a larger excess of production over "necessary" expenditure so that *both* Capital and Labour are set free for "optional" uses and this is the nature of the advantage ultimately gained. But the capital expended is not more "fixed" in them than in any other utilities of a permanent character, while as they are for the most part fitted to aid one kind of production only and not production generally, they are often less readily exchangeable for that Capital which can supply the ever-recurring wants of Labour than many things which are not required at all for industrial production. They might perhaps be more correctly described as "productive property" though as they are of use only for production, it may be held that their value is "transmuted" into those utilities which ultimately satisfy the wants of mankind, and so far they are *gradually* taken up again into the general Capital account which is associated with the processes and indicates the sum total of the cost of production. But if such aids to production are superseded by better inventions, though the individual may lose his command of Capital, a yet more rapid increase of Capital is the general result.

The term "circulating" so often used in opposition to "fixed" Capital is singularly inconsistent with the fundamental truth that Capital is continually cousumed and is only kept up by continual reproduction, and lends itself to the most mischievous fallacy which confounds Capital with "money:" that indeed does truly circulate with marvellous effect and certainty. The common term "floating" Capital, though open as most figurative expressions are, to verbal criticism, at all events avoids this most pernicious misassociation of ideas.

Special skill acquired for any purpose which is deemed productive is also sometimes called Capital, but though Capital may have been specially expended for this object it does not follow that this *result* is best described as "Capital." It is more permanently on the side of "Labour," and moreover the increased efficiency of the latter is in no way commensurable with the more or less of capital expended in technical training. Whv should we identify a good housewife with

Capital? As far as she makes "a little go a long way" she may be "better than gold;" but is not the personification of Capital but of good and active common-sense directed to the economy of consumption. In considering the continuous round of consumption and reproduction which practically concerns us, we cannot thus be ever harking back to the origin of utilities, or we may find ourselves committed to an enquiry as to how far hereditary aptitudes are the result of Capital expended in prehistoric ages.

12.—On the other hand, there is often a large supply of things necessary to support life which is required for those who do not or cannot labour. Is this supply to be included in the general term "Capital," or it is better to say that that only is Capital which is devoted to or set apart for the support of productive industry? This latter is clearly that which Mr. Mill had in mind in the definition already quoted (sec. 3), and, within the circle which is habitually concerned with industrial processes, it is needless to repeat continually the qualifying adjective which is naturally taken for granted. Still the popular association of Profit with Capital, and Capital with mere "intention" to produce, tends very much to foster delusions of a most mischievous kind. Both Labour and Capital must in this context not only be so connoted that we cannot have the one in our thoughts without the other, but the function of each must be duly recognised. If we take stock of that which is required for the extension of industrial enterprise, we may find Capital altogether wanting, or we may find "that which will support labour" potentially though not actually productive. It is evident that as regards those able to work, supported but unemployed or only partially employed, we have not to create or save in any material sense. Dealing thus with what already exists, the sole problem is to devise a suitable organisation of Labour by means of which it can be made productive and wages earned for it. "Growing more potatoes" is not the remedy for want of employment, though there is often too much reason to lament that we have "more money than brains" at our disposal. The problem of making labour efficient may be a long and difficult one, but finding material subsistence forms no part of it in so wealthy a country as our own where the elaborate system of credit is so perfectly adapted to place Capital at the disposal of anyone whose ability to make good use of it is recognised. This recognition may not always be accorded where it is due, and industry may thus suffer from the want of forethought and enterprise as well as from the want of means or of skill. Still the cry for more Capital, or yet more vaguely for "more money," comes most strongly from those who know nothing of the manifold conditions which have to be satisfied before it can be made reproductive, and who in fact altogether misapprehend and exaggerate the powers inherent in the Capital which they desire to get under their control.

The experiences drawn from poorer and less organised countries bring us back, however, to the fact that primary necessaries form the most essential part of Capital, and those who undertake large enterprises under the conditions they afford, may find that far-reaching arrangements have to be made to provide these when and where they are wanted and in the special form that the labourers require ; but the only difference is that this subdivision of work can be taken for granted in one case and not in the other.

The question is essentially one of both Labour and Capital. In what sense is each of these limited by the other ? Two successive replies must be made to it. The first, based on physical considerations, embraces all of both that is actually or potentially productive, and the limit imposed is for the time being absolute. Undertakings in excess of the available resources of a country are necessarily foredoomed to failure, as the fate of many foreign enterprises from the South Sea bubble downwards has amply demonstrated. The second takes up the more special problem. How far can existing resources be conjointly utilised ? and this depends upon essentially mental agencies of a far more energetic character than can be safely described as an "intention." The distinctive terms "productive" and "non-productive" should therefore be kept in mind as applicable to Capital. We shall thus run less risk of confounding the present means with the ultimate ends and objects of production, and recognise more directly that while Nature yields scanty fruits to isolated Labour, more ample returns are obtained only by more potent and long sustained efforts, which imply many successive and well adjusted applications of both Capital and Labour, urged on with a careful, but not servile, regard to the existing conditions of industry with which we have to deal in the working world.

13.—Let me now endeavour to present in very general terms a review of what can be done with Capital, as at any one time. But we must, not the less, as rational beings, look before and after, and judge both of the antecedents and consequences of the work simultaneously and unceasingly in progress. Taking, then, *Capital* in its primary sense, it must be adequate to supply the wants of all.

Equally of those :

(1) who are engaged (directly or indirectly) in reproduction in kind ;

(2) who in any way contribute work or services ;

(3) who "transmute" it into instruments and other adjuncts of Labour, which will be required to maintain and increase its future efficiency ;

(4) who "transmute" it into perishable superfluities, which quickly pass away leaving no trace behind ;

(5) or into recognised utilities of a more or less durable kind, which may, hereafter, be exchanged for, but cannot be transmuted back into, Capital.

Further, it maintains those :

(6) whose services, though not immediately associated with or required for production, are necessary for the well-being of society and its future progress and prosperity; and, also,

(7) whose services are accepted without any such high warrant of utility.

And to these must be added :

(8) those who have in any way acquired valid rights in the products of other men's labours.

Still maintaining the same standpoint and looking backwards, we regard the whole of the Capital which supports us in the present as the result of the application of a part of it only to the great agencies of agriculture, commerce and manufactures, which are specially within the sphere of organised industry. Looking forward to the future, the work of reproduction (1) is being more amply carried out as better adjuncts of Labour (3) are available, and Labour itself better trained and rendered capable of higher organisation (6)—or the reverse if the efficiency of Labour is impaired. I do not ignore the fact that a failure or scarcity of Natural Agents, especially of land when population is on the increase, may irresistibly change for the worse the conditions under which Labour and Capital can be employed, but as long as the resources of the world are at our command for the supply of our primary wants, even this difficulty can be adequately met by industrial agencies. And in any case by taking these on the one side and the gifts of Nature on the other we shall not obscure the issues involved in the ultimate problem. The efficiency of Capital and Labour is tested by the extent to which they can be applied to ends and objects which do not of necessity return again for use as means of further production (4 to 6 above). Hence, as regards these ends and objects the word "productive" ceases to have any valid significance as far as it is limited by any material definition. In this region we are free to adopt the test of utility in its highest sense, and to determine without restraint in what way our best energies can be applied. We have on the lower side production governed by laws of physical necessity. On the higher, Labour and Energy adequately supported, the application of which is governed by no such rigid considerations, but will be determined for better or worse by the dominant intelligence and will of the community.

As regards the products to be classed as "necessaries," I say that no one definition can be given of them which will fairly accord

with the facts with which we have to deal. If we seek the ideal "least cost of production" or the minimum on which energy can be maintained in full vigour, we must wait upon the physiologist for a reply. If the conditions which will best call forth the exercise of this energy, the psychologist, the moral philosopher, and the politician will also have much to say upon the subject, and the economist will take part with the keenest and most practical interest in the discussion. But those who have to act in the present must, in one sense, take as necessary just that which will command the labour required. My object is to present the leading features of the great problem of industry in such wise as to lead most directly to the conclusion that all of them are modifiable, though they can be modified only as, step by step, higher degrees of intelligence can be brought to bear on the manifold agencies concerned in it. The distinction between the energy devoted to necessary production and that which may be otherwise applied is not the less valid because the redistribution of these energies, and further of all or any of the results of them, implies constant changes in any categories given. To bring about such changes for the advantage of the body politic and of the individuals who compose it is the result we desire to attain, and this can be worked out only by experiments which compel us to recognise many conditions which are too readily overlooked by purely deductive reasoners whose premises must not only be *true* but *adequate* if their conclusions are to be presented for general acceptance.

14.—The nature of the service which economic investigation can render to industry can perhaps be yet more clearly shown by aid of an illustration. The advance of scientific knowledge put an end to the hopeless quest after perpetual motion. It demonstrated that only a very small portion of the potential energy stored in fuel was practically utilised. Men ceased to strive after the impracticable, and applied themselves to an object, the realization of which they were well assured was within the conditions imposed by natural laws. The result is that we make at least three or four times as good use of coal as we could do not very many years ago. The navigation of the Suez Canal and the Red Sea is no longer so costly as to preclude the possibility of its commercial success, but the cheapest and most bulky products of the East can afford the costs of this mode of transit as a matter of ordinary business routine. But this practical result has been worked out—puzzled out I might almost say—by innumerable experiments, the success of which has sometimes been purely fortuitous. The incalculable gain to be acknowledged is that they were made for an attainable object and not for one purely chimerical.

So when an economist presents a sound theory of the necessary conditions under which industry can subsist and thrive he does his part if he truly indicates the limits under which the problem must be worked out. The quest after perpetual motion is not more

irrational than the attempt to support labour without Capital, or utilise Capital without well qualified Labour, yet many acute minds have wasted their efforts from a want of knowledge of such primary laws. Setting such delusions as these aside we have a field before us, the limits of which cannot yet be discerned, for utilising the wasted energies of Labour, and thus extending the ultimate uses of Capital in ways which will carry us far beyond the bounds of material production, though we shall not the less be dependent on the due reproduction and distribution of it, as the ever-changing conditions of our individual and corporate life may require. It is with these ever varying and uncertain conditions that the statesman, the politician, and the man of affairs, each in their several degrees, are specially concerned. All data which science renders certain are accepted as so much sure ground gained. But the application of all science is in itself an art, and in dealing with the complex phenomena of life and industry we have ever to bear in mind that "no causes work in isolation," and those which are the least known and determined may yet have the most important bearings upon our welfare. We must be on guard against mistaking the *postulates* of political economy for established principles, or its special assumptions for adequate representations of the many sided life which we see around us. Point by point we may hope to extend the boundaries of exact knowledge but meantime our chief aim should be to realise *all* the conditions which enter into the social life of industry, however vague and uncertain, however shifting and complex they may appear to be. The work of to-day must be done with the known means of to-day, but those who are in the forefront of enterprize will constantly be in the region of experiment, disclosing and even creating new conditions which must modify those with which we are already familiar.

15.—The fact that consumption is continuous and gradual, and production, as nearly as may be, is adjusted to meet wants as they arise, has been adduced by some recent writers in support of conclusions which are by no means warranted by it. It is, in effect, argued, that as Capital is certainly reproduced, those who are not concerned in this special work may take the result for granted, and enter upon far-reaching undertakings without any fear that the supply of this necessary element will be wanting when required. In one obvious sense this is perfectly true. The lurking fallacy becomes palpable only when we consider further the nature of the provision which must be made to secure the continuity of support and of management, which such undertakings require. This is attained not by forestalling the necessaries of life, but by definite ownership and control over that which will in due time most certainly command them. "This "man began to build and was not able to finish" is an old taunt which had nothing to do with a failure of natural resources. But the *kind* of wealth which anyone can safely rely upon as means to

carry out his undertakings is strictly limited by the conditions required to support industry, even where the system of interchange is most fully developed.

Let us test this by the criticism to which the "balance sheet" of anyone engaged "in business" would be reasonably subjected. On one side are liabilities which imply the use of *Credit*, but it is enough to say that Capital is here taken to mean a man's *own* Capital, and Credit *someone else's* Capital: the "assets" which would recoup his own outlay may be taken as adequate to meet his liabilities to others. Among C's assets are found materials and merchandize for which large sums have been paid. He has thus relieved B from his advance of Capital, as B may have relieved A, and so on; also, further items representing his own outlay required to pass production through his own stage of the work. The documents so familiar to commerce exhibit this very simply. C's "invoice" shows cost paid for commodities to B, *plus* the charges incurred on them by C himself. This he sends to D, whose "account sales" show cost as received from E, *less* D's own charges. The charges indicate in the terms of Capital the portion of work done by C and D respectively. E takes up the product and expends further capital upon it in like manner. Assuming the normal average conditions of industry each in succession passes on an enhanced aggregate cost to another, which ultimately is paid by the "consumer." We cannot say unreservedly that C is safe from loss, but he is in the way of safety, and within and supported by the great revolving circle of interdependence to which I referred in sec. 8. Buyers are just as much dependent on sellers as sellers upon buyers. A banker would esteem such assets "good," subject only to general considerations as to the ultimate demand for the completed product which affect all stages of production, and, as to the competence of the individual. And this competence is in fact the ruling consideration throughout, for if these same materials were found in possession of the banker himself they would not be regarded as by any means a satisfactory asset, because it is not his business to carry on with them the stage of work required. If, say through the failure of C, such property be thrown on his hands, his first care is to find some one to act instead of C with as little delay as possible, though this working backwards is not always easy, and often entails no small loss and waste. Sound trade bills are all based on such correlated transactions, in accordance with the division of function, which does so much to mobilise our resources; they are specially good banking assets. The banker takes them, subject to the general conditions just stated. He is closely concerned in the management of all details, and gives or withholds credit accordingly, but does not attempt himself to meddle with those particulars which lie beyond his province. He judges more broadly by results, intelligently using past experience to extend his foresight into the future.

16.—Hence, in the world of commerce and industry, where all these terms have originated, a distinction is clearly recognised between "*interest*" and "*profit*." The latter is the remuneration of those who undertake the work of production in the many various ways referred to in sec. 7. The proportion that it bears to the Capital employed varies greatly, not only according to the skill required, but also according to the extent with which skill of like degree can be employed on greater or less amounts. Dealers, whose work can best be done on a large scale, are well paid by a "percentage," on which those just as ably and necessarily engaged more in detail would starve; though where the application of skilled labour or personal intelligence, rather than the use of more or less costly materials is concerned, this way of estimating remuneration becomes very absurd and misleading. In this context we most clearly see how absolutely essential the generalisation of Capital by means of credit is to all well-organised industry. As the cost of all products increases at every stage, the later stages could only be undertaken by the wealthy if *credit* were not available, while as a matter of fact much of such work—especially as regards the collection and redistribution of utilities of various kinds—is better done by active men who have to make their way in the world, and whose fitness for it does not depend on the ownership of a large Capital.

Interest is the special remuneration of those whose Capital is or has been devoted to the support of Labour, and, in the world of industry, is normally paid out of the *profits* gained by producers who take all the first charges and risks of the work they carry out. The element of risk, however, cannot wholly be eliminated, and of necessity enters into the charge for "gross" interest. Apart from this it is misleading to speak of different rates of interest as paid *for* Capital, though very different rates of profit may be derived *from* the use of it. Even a banker dealing with deposits and loans of Capital rightly calls his gains *profit*, derived as they are from his special art and skill in distributing this necessary element of production. There is, moreover, this to be remembered: Interest, in the system of organisation with which we are now concerned, is not so much the remuneration of one who abstains from spending or "consuming" his Capital in order to devote it to productive uses, as of one who abstains further from entering into competition with producers in a field which is open to both. Low interest induces lenders to seek means of employing their own Capital. High rates induce them to support existing undertakings. Hence it is quite possible that great differences may arise in the "price of Loans" without any commensurate change in the aggregate of Capital employed, or the *gross* profits earned. And this in certain states of financial disturbance is a very important consideration.

17.—Moreover, as industrial undertakings are completed and the Capital invested in them becomes "fixed," or, as I would rather say is

"transmuted" into "productive property," the basis on which interest rests changes also, so that the primary economic definition ceases to be distinctively applicable. Thus from a point of view very natural to the investor, the annual sum paid on National debts is often referred to as *interest*, though we know that the Capital has been expended long ago and could by no means be traced. The obligation is of a higher and more general character and the welfare of all Capital and industry, not merely the right derived from the original lender, is vitally concerned in the maintenance of National credit. Coming down to more specific cases of money-lending we may find the most fundamental differences underlying forms which are similar or even identical. For these forms give expression to contracts which have in view rights legally created in certain kinds of wealth, but are not concerned in the economic question as to the means by which this wealth is maintained. Thus by the indispensable aid of a loan in support of some industrial undertaking a profit is earned, out of which profit interest is paid. But a loan just as well secured may be granted to make good the waste of extravagance. The funds so lent yield no income whatever; that is obviously derived from quite other Capital. The inter-relations of all classes are so close that we are no more able to draw an exact line between the two than to define the duration of the twilight, though we know full well that day lies on one side and night on the other. How wide is the difference between the position say of a thriving farmer in the Lothians, whose shrewd Scotch banker is only too glad to lend him as much Capital as he can employ, and that of a wretched Bengal ryot, ground down by the exactions of a *Mahajun*. We may find contrasts as marked much nearer home: yet both are formally in the same relation to the lender: both alike pay interest. In short, using words according to their current signification, no man is less likely to become a mere "money lender" than a banker either in town or country whose permanent well-being depends on his connection with industrial production.

It should be further noticed that the service which Capital renders to industry cannot be assumed to be permanent. M. Bastait somewhat needlessly asserts that interest can be continuously earned, but his most lucid argument shows that he means only that this can be done by repeated and successive operations. It is true that anyone may get continuous interest from a bank or loan rgency, which does for him what he is not able to do for himself, but to use this brilliant writer's own expression, we must not suffer this "which is seen" to hide from us those all-important conditions which "are not seen." A banker dreads instinctively a "dead account," and all shrewd depositors would quickly withdraw their funds from a bank known to have drifted into connection with undertakings which were not maintained in vigorous working order. A bank, it is said, must "turn over" its Capital, but this really means the consumption and reproduction of many items of Capital and a continuity of successive operations, each of which severally calls for the exercise of skill and

discrimination. Even as regards the most general obligations expressed by a National debt, we feel that the burden cannot be passed on from generation to generation without fatal injury to the future prosperity of the country. And it may be worth while to add that because Consols are at par it does *not* follow that the nation can lend without loss to any class within it at 3 per cent. The public welfare imperatively requires also an appropriate contribution to the "sinking fund," which must practically, though it need not formally, be maintained, and this principle now generally acted upon must in all cases and without exception be clearly recognised. Permanent rights in property may be defended and justified on the higher grounds of political expediency, but they are beyond the scope of economic considerations, though the natural laws on which these are based can never be contravened with impunity.

18.—Notwithstanding all minor subdivisions the central fact remains that only those assets are held valid as regards productive industry, which in the actual and orderly course of events are directly tending towards "use and consumption." The work of reproduction then begins afresh according to the conditions set forth in the foregoing analysis in section 13. This in commercial usage is all that is implied when the excess of assets over liabilities, as shown in the balance sheet of any individual, is certified as "his Capital." The valid connection is assumed in the avowal, though by no means taken for granted in the investigation. Thus, if the chief asset shown were a factory, while the means left to work it were not adequate for the purpose, the position of the undertaking would be considered as financially open to exception, No doubt, wealth in the background will command credit, but a factory is not the kind of asset which a banker likes to accept. It may be valuable property, but just when Capital is scarce and likely to be wanted it could not be sold and exchanged for Capital without loss and difficulty. But it may be mortgaged, *i.e.*, conditionally sold, in which case the mortgagee simply takes it as a security which will yield him a permanent income. The mortgagor virtually has less property but more Capital available for all his current requirements. His financial position as a manufacturer is thus rendered sound and independent, though of course he cannot claim credit in respect of property over which another has rights of ownership.

So again a banker may hold railway and other shares or debentures. There are many good reasons why he might wish to withdraw for a time from his special connection with productive industry, nor would it be said that his Capital was withdrawn when he had not only the means of calling it back from the large general body of buyers of property of this description, but also of applying it to the purposes of his business whenever occasion required. Such investments held as a reserve, are reasonably placed beyond the reach of perturbations

which may affect special financial circles; but even in these cases experience shows that they are very rarely and partially required to bring in more Capital, but rather to inspire the confidence necessary to maintain the normal and continuous distribution of it in times of panic and general discredit. Still this exception can be safely made only with such caution and limitation as to "prove the rule." We are no longer dealing with what may be generally expressed as an annual supply adjusted to an annual demand, but with what is termed "Capitalised" value: *i.e.*, a large multiple of an anticipated annual income. As this value is normally governed chiefly by the equation of supply and demand between the owners of such forms of realised wealth, an exceptional supply, especially if sold with any urgency, exercises a very marked influence upon it. Thus it is that with few exceptions the Stock Exchange is a very uncertain resource for industry to rely upon in case of need. Consols hold a special position which is too well understood to call for any comment.

19.—The word Capital however seems likely to lose all distinctive signification. So eminent an authority as Sir James Caird in his recent paper on the Britsih Land question, *Journal of the Statistical Society*, December, 1881, refers to two Capitals as "employed" in agriculture. A typical estate of 100 acres is taken, the fee simple of which is worth £5,000, yielding at 3 per cent. £150 per annum, (=33⅓ years purchase) to the landlord; and worked by a farmer with £1,000, the return for which, including that attributable to his skill and industry, is set down at 10 per cent. or £100 per annum. The landlord is thus represented as owing five-sixths and the tenant one-sixth of the "Capital" of the joint concern. My criticism refers solely to this use of the word Capital. I raise no question as to the landlord's rights in his acknowledged property. Admitting the validity of his income, can the large multiple of it, which is in fact the value of the fee simple, be in any way brought into the account? Because a farmer cannot afford to exchange his Capital for an investment to yield 3 per cent. per annum, it does not follow that the owner of such property has means available to support the labour required to make it profitable. The common truism that land requires Capital to work it expresses the distinction which I wish to maintain. There are many considerations which tend to enhance the value of the permanent ownership of land which do not affect the due cultivation of it. Setting these aside, however, we have (1) the "premium" rent (sec. 6) which is purely a payment for the use of the soil, which, *ex hypothesi*, yields to the Capital *supplied by the tenant* a return in excess of that required to recompense him for *his* outlay; (2) the landlord's Capital, which has been expended and "sunk" in the soil, gives him a valid right to an annual return from the farmer, so far as the adjuncts to Labour thus supplied make the farmer's working Capital more productive — more than this

gradual return cannot be permanently obtained from it; (3) there is also a small amount of Capital required to maintain these adjuncts, such as farm buildings, drainage, &c., in an efficient state, and this is naturally derived from the foregoing sources of gross revenue; but whether the net income which remains to the landlord is appropriated to his own wants or those of others makes no difference to the productive use of the land, *until* the question arises of a new application to it of Capital which must necessarily be drawn from some external source. The "capitalised" or "*funded*" value of this net income cannot be brought into the account of the "joint concern" without merging the relation of landlord and tenant altogether in that of joint owners and cultivators, and, even then, though the improved land might bear a high value it would not be called Capital, according to the industrial use of the term, though it is no doubt a *security* on which Capital might be borrowed. When the question of applying Capital to land is of so much interest, it is surely anomalous to identify land with Capital. The economic problem is to co-ordinate the security which Capital requires with the ulterior rights which revert to property in land; in other words, to determine the prospective ownership of vendible income so that the rights of property may not in the changing course of events become an intolerable tax upon Capital and industry.

20.—So also with a large class of undertakings of which railway property may be taken as a type. The phrase "the creation of Capital," as applied to their inception, is warranted only from the industrial point of view. The appeal is made to a widely diffused body to subscribe their means to some industrial enterprise, which it is assumed will be made productive. But though the task of finding Capital is thus thrown on many, all are severally subject to the conditions set forth in sec. 10, which no facilities of credit can evade. The result is the creation of a "fixed utility" which earns an income only in so far as it aids the various purposes of pleasure or industry from day to day. Capital may be said to create this income, but the "capitalised" value, say of the shares of a railway or other company, is a question of subsequent terms of exchange in quite a different region. The Capital proper, or current working Capital, is under the control of a working staff, subject only to a very general supervision by the Stock or Shareholders who own aliquot parts, not merely of the material property but of the indivisible whole, regarded as an organisation instinct with the intelligent energy of those who administer its affairs. The use of the familiar word Principal, might serve to mark the essential change effected. The Capital called up is "*transmuted*" beyond recall into income-yielding property of a definitely special kind. This chief factor might well be called *Principal* or Principal Stock, in contradistinction to the Capital continually employed for its working and maintenance.

Every one knows that no mere buying and selling shares on the Stock Exchange touches the capital employed in the undertakings they represent. An extension of works can only be made by a further call for it and the issue of new stock. No one would wish to impair the exchangeability which is so essential to the value of wealth of all kinds: each individual values most highly that which he believes will best serve his present needs. No hard and fast line can be drawn between dealings on the Stock Exchange, implying a mere transfer of property, and those which indirectly subserve productive industry, but, speaking generally, the shareholder is concerned only in the former, while the corporate company is associated with the latter. In times of excitement there are many who woefully misjudge the means which will be required to carry out their intentions, and many who foresee very clearly the failure of such ill-judged schemes fall into the opposite error, and regard mere speculations in shares as though they involved a large absorption of capital. A very common feature in abortive projects is the extent to which concessions and property of all sorts are recklessly bought up, while the actual application of Capital is ludicrously small. Setting aside the valid test of ultimate income, there is no limit to such arbitrary valuations. A score of "strong" buyers and "firm" sellers may run up the nominal worth of the pips of an orange to a million of money, as long as they keep within their own circle. Our sober Dutch neighbours did a notable feat in this direction with tulip bulbs; but as nothing can be made out of nothing, out of nothing nothing can be lost. I am far from denying that such aberrations lead to many lamentable consequences, but what is the nature of them? The best schemes, when ill supported, often lead to the worst material results in so far as property or Natural Agents are forestalled and the utility of them for a long time destroyed or held in abeyance. Further, industry may be stimulated in wrong directions, and even the unreal gains of share gambling on a large scale lead to an extravagant production of luxurious superfluities, which is specially hurtful, because the labour devoted to them cannot be permanently maintained and is soon thrown adrift upon the world. The demoralisation and the waste of present resources is by no means to be explained away.

21.—Still the collapse of such financial madness is the only way of putting an end to the mischief. Even where Capital has been uselessly dissipated the waste is gradual and often for long unsuspected. The losses disclosed when great undertakings fail are for the most part to be traced back for many years in their own books and in those of their debtors, and a sensation of relief soon follows the cessation of such a drain on the resources of genuine enterprise. The burden has not the less been borne, because it has been borne unconsciously, by the community at large The adjustment of accounts which have been virtually falsified may cause a sharp spasm of distrust, and strain

the machinery of credit, but, as long as primary reproduction is maintained, the fact that we have missed the opportunity of creating new forms of wealth or means of aiding its production, is no valid reason why we should not at once "try again" with renewed energy and better experience; and the more clearly we specialise the use of the word "Capital," the more promptly shall we realise this wholesome condition of industry. A more widely diffused knowledge of first principles would do much to save the Country from the periodical folly of rushing into all kinds of rash ways of wasting Capital without any sane hope of ever seeing it again in any form. Time and the changes wrought in time must be taken into the theory of Capital, so as to help us to discriminate more soundly between what can immediately be done with it and what can be the future results of its expenditure. We must neither confound the means to be used with the ends to be attained, nor limit those ends by any narrow conceptions of utility. Taking the sum total of our material possessions, we find some serving to support life and labour, some adding to the efficiency of Labour, some serving our uses and pleasures which cannot be distinguished as aiding productive industry. Then again we have the ownership of *income*, present and prospective, the "capitalised" value of which is in a wealthy country far larger than the entire production of any one or even of many a year.

As regards individuals these and various other forms are readily exchangeable, and there is a growing tendency to use the term "Capital" as commonly applicable to all alike. But why supersede the use of the generic word "wealth." I do not, however, argue about the use of words, but for the principles which lie behind them, and for the cardinal truth that all forms of wealth can be maintained only by the continuous application of that Capital which supports well-directed Labour. That these conditions are so generally taken for granted indicates a sense of security which is for the most part adequately justified. But this confidence must not be suffered to degenerate into a blind credulity. The due correlation of the rights and functions of Capital in its association with Labour, with those of property is a problem which arises with each succeeding generation, and the prevalence of customs based on a due recognition of the primary needs of industry has been the life of the common law which has fostered our national growth through the long course of its eventful history.

It has been said that the whole object of the British constitution is to put twelve honest men into a jury box. In the same vein it may be said that the sole aim of our industrial system is to put good bread into the mouths of capable workmen. Manifold as are our resources, manifold as are the aims and objects to which we can apply them, to this we come at last as the only sure basis of our prosperity.

THE GOLD COINAGE.

THE Coinage Committee* have made the following report, which has been adopted and approved by the Council :—

REPORT OF THE COINAGE COMMITTEE TO THE COUNCIL OF THE INSTITUTE OF BANKERS.

Your Committee have the honour to report that at a meeting held on 16th March it was agreed that it would be highly desirable to inquire what amount of gold was held by the banks of the United Kingdom collectively, with a view of ascertaining how far any action taken towards placing the gold coinage in a more satisfactory condition could be supported by the Bankers in a body. It was resolved to invite all banks to make a return of the gold coin held by them and their branches on the evening of Monday, 30th April, and, for the reasons stated below, your Committee have no reason to think that this date was unsuitable for the object in view.

In reply to circulars so sent out, answers were furnished by a considerable majority in number, and a still larger proportion in importance, of banks throughout the United Kingdom. The result is shown in the following table :—

	Returns.	No Returns.	Total sent.
London Private Banks	33	0	33
Bank of England	1	0	1
London Joint Stock Banks and Branches	16	0	16
Country Private Banks do.	138	22	160
Country Joint Stock Banks do.	87	4	91
Isle of Man Banks, and Irish Private Banks	3	2	5
Scotch Banks and Branches	10	0	10
Irish Banks do.	9	0	9
	297	28	325
Channel Islands Banks	2	4	6
	299	32	331

* Vol. IV., p. 263.

It may be remarked that among the banks from which no return was received some might fairly have been excluded from the list on the ground that though their names appear in the *Banking Almanac*, their business was hardly that of bankers, in the usually accepted sense of the word; others retaining their name for the sake of their circulation only, or being in course of amalgamation with other banks. In the case of the Channel Islands, French rather than English gold is the usual medium of exchange.

Your committee have to express their appreciation of the readiness with which information was furnished to them on a point as to which hitherto considerable reticence has been noticed, and consider that they have best justified the confidence which has been reposed in them by destroying all the individual returns with which they have been favoured.

The gold held by the 299 banks from which returns were received, including the Bank of England, amounted to £22,010,008. 10*s*., which your committee have reason to believe to be a minimum amount. A considerable number of returns were accompanied by the remark that the stock of gold returned was very much below the average, and that a return made on a Thursday instead of a Monday, or made at a different time of year, would have shown a much larger total. Your committee are, however, of opinion that the object of their inquiry was to ascertain the minimum rather than the average amount of gold held by banks collectively, and they are satisfied that while the figures which they submit do not adequately show the extent to which bankers are burdened by the existing condition of the gold coinage, they do represent the extent to which bankers could co-operate in any scheme for restoring its condition.

It may be mentioned that in one of the few instances in which hesitation was shown in making a return to your committee, the objection was based not on the small quantity of gold held, but because the amount of dead weight held in this shape was so large.

Making allowance for the Banks from which no return was made, it is probable that the gold coin held by banks on the 30th April last was £22,150,000, this being, as above stated, a minimum amount; making allowance for the circumstances which have been referred to, the average holding would probably be £25,000,000 made up as follows:—

Bank of England	£11,000,000
English Banks	8,100,000
Scotch	3,100,000
Irish	2,800,000
	£25,000,000

Your Committee would recommend that a letter be addressed by the President, in the name of the Council, to the Lords of Her Majesty's

Treasury, with a view of ascertaining whether the Government is prepared to take action, either separately or in combination with the Bankers as a body, in order to restore the condition of the gold coinage, and to maintain it in a satisfactory condition in the future.

Jos. Herbert Tritton, *Chairman.*
Henry Farncombe Billinghurst.
William Howard.
John Lubbock.
John Biddulph Martin.
Robert Harry Inglis Palgrave.
Richard Blaney Wade.

June 6th, 1883.

In pursuance of the recommendation contained in the foregoing report, the following letter, signed by the President, has been transmitted to the Lords of Her Majesty's Treasury :—

Institute of Bankers,
11 & 12, Clement's Lane, E.C.,
19th June, 1883.

My Lords,

On behalf of the Council of the Institute of Bankers I beg respectfully to invite your attention to the condition of the gold coinage of the Realm, the deterioration of which has of late years increased in a marked degree, to the great inconvenience of the public in general, and to the serious anxiety of the Bankers as a body.

I take the liberty to refer to the Report of the Royal Commission on International Coinage, 1868, who reported that "a gradual re-coinage will soon become a matter of necessity under any circumstances," and also to the Report of the Select Committee on London City Lands (Thames Embankment) Bill, 1881 : ample evidence of the depreciated condition of the gold coinage was given on each of these occasions. I may also refer to the Annual Reports of the Deputy-Master of the Mint, who has more than once called attention to this matter.

The extent of this depreciation formed the subject of an inquiry by the late Professor Stanley Jevons in 1868, and has been treated on two occasions in papers read before this Institute by Mr. John B. Martin in 1882, and by Mr. R. H. Inglis Palgrave during the present year. Consequent on the reading of the latter paper a Coinage Committee was appointed by this Institute, which has reported the result of their inquiry into the amount of gold coin held by the Bankers of the United Kingdom as a body.

I have the honour to enclose a copy of their Report to the Council of this Institute, from which it would appear that of an estimated gold circulation of one hundred millions the banks have an aggregate minimum holding of more than one-fifth, and a probable average holding of one-fourth part: of this amount, which may be roughly stated as £25,000,000, it is probable that not more than £5,000,000, or at the utmost £6,000,000, is in light coin.

The rapidity with which the gold circulation changes hands and passes through the hands of the banks is shewn by the fact, that whereas the total amount of gold coin minted from 1817 (when sovereigns were first coined) to 1880 inclusive, was £308,000,000, there passed through the scales of the Bank of England in the twenty-one years 1860–80, £395,000,000, of which £332,000,000 was paid in by the Bankers; it is therefore evident that the banks are in a position to co-operate very effectually in any measures that may be taken in regard to the gold coinage.

I do not venture to trouble your Lordships with a detailed statement of the arguments by which this Institute supports its opinion that the restoration of the gold coinage to a satisfactory state is an end that it is beyond the power of the present Coinage Act to effect, and that the result of any attempt to enforce its provisions stringently would be that the loss would fall mainly, not on the Bankers, but on their customers, the public; while the general inconvenience to business, and to the whole population, would be almost incalculable. But I take the liberty respectfully to ask whether your Lordships are in a position to acquaint me in some measure with the intentions of your department in this matter, or whether you would be willing to receive a deputation from the Council of this Institute, and so to afford them an opportunity of laying before your Lordships some of the points which appear to them most material.

In the hope that this matter will receive the favourable consideration which its importance deserves,

I am, my Lords,

Your Lordships' very obedient Servant,

RICHARD B. MARTIN,

President.

The Right Hon.

The Lords Commissioners of Her Majesty's Treasury,

Whitehall.

THE ANNUAL REPORT OF THE DEPUTY-MASTER OF THE MINT.

MR. FREMANTLE's thirteenth annual report speaks of the past year as having been a busy one, although not in the way of coining. "The year 1882," he says, "has been almost entirely occupied in the work of re-organizing the building and machinery of the Mint, in accordance with the arrangements described in the last report. No gold has been received for coinage, and the value of the silver coined has but slightly exceeded £206,000. All the bronze coinage required has been executed by contract at Birmingham." This reorganization of the Mint arrangements is a most important step, and has long been recognized as being absolutely necessary. It will be remembered that the late Mr. Seyd, so long ago as 1868, in his "Bullion and Foreign Exchanges," spoke of our Mint as being unequal to the duties required of it, and far behind the Mints of many other foreign countries. It would appear now, from this report, that notwithstanding some of the buildings have been adapted to modern requirements, instead of being reconstructed in the most convenient form, the capacity of the Mint for future work may now be considered as satisfactory. It is said that "the alteration of the buildings and almost entire renewal of its machinery, actually effected, have placed the department in a position to coin two metals simultaneously, to execute a far larger amount of coinage within a given time than has hitherto been possible, and, it may be hoped, to meet all demands likely to be made upon it, while there can be no question but that the mechanical appliances now in use will compare favourably with those of any other Mint."

If, however, these alterations in the coin producing power of the Mint have been necessary in themselves, there can be no doubt as to their being carried out at an opportune moment. Not only, as regards the past, has the entire suspension of gold coinage, during the year under consideration, been possible with a minimum of disturbance to the public, thus proving that in this respect the time was well chosen, but it is a matter of the utmost importance that this enlarged manufacturing power should coincide with the probably near approach of the re-coinage of gold. It would have been almost useless to press forward this question, if the Mint had been powerless to give effect to any course which may be determined upon. As it is, the Deputy-Master can, apparently with a light heart, refer to "the unsatisfactory condition of the gold coinage, and the necessity of

taking steps for the withdrawal and re-coinage of the large amount of light gold in circulation." Referring to the paper read before the Institute last year, by Mr. John B. Martin, and to that read in February last, by Mr. Inglis-Palgrave, and, also, to the fact that a committee of the Institute is now engaged in prosecuting enquiries as to the amount of gold coin in the hands of bankers in the United Kingdom, he says, "the details of the existing condition of the gold coinage, therefore, will shortly be well known, and it will remain for the Government to determine in what way the important and difficult problem of its renewal shall be solved." It will be seen that the committee of the Institute have already summed up their enquiries in a report, and are actually in communication with the Government.

As regards the issue of new silver coin during the year, it is stated in regard to three-penny pieces, that notwithstanding the efforts to utilize stocks known to be held by certain firms in excess of requirements, the demand for them has been large—£29,875 against £23,625 in 1881. Four-penny pieces to the amount of £3,500 were withdrawn from circulation, and "as none of these coins have been issued since 1856, and the withdrawals have been large, the number in circulation has become insignificant." Half-crowns were issued to an amount of £176,200, making the total amount placed in circulation since 1874, when their coinage was resumed, £1,397,690. There is no suggestion with regard to a new issue of five shilling pieces, or as to a new piece of four shillings. Many believe that, even under present circumstances, a larger silver piece than is now coined—say of four shillings—would have a wide circulation, in wage paying districts especially. In the present condition of the silver market, such a coinage would, at least, be profitable.

As regards the price of silver during the year 1882, it is stated that "the average market price at which standard silver was purchased for coinage during the year was 51½*d.* per ounce, so that, as the rate at which silver coin is issued by the Mint is 66*d.* per ounce, the seignorage accruing to the State was at the rate of 14½*d.* per ounce, or 28 per cent., as against 27⅓ per cent. in 1881. The rate of seignorage attained in 1882 is higher than in any previous year except 1878, when the price of silver bullion was at its lowest. The following table shows the rate at which seignorage has accrued in each year from 1870 to 1882 inclusive":—

Year.	Rate of seignorage.
1870	9 per cent.
1871	9¼ "
1872	9½ "
1873	12¼ "
1874	12⅓ "
1875	16 "

Year.	Rate of seignorage.
1876	(No silver bullion bought).
1877	17¾ per cent.
1878	31¼ „
1879	24 13/16 „
1880	26⅝ „
1881	27⅛ „
1882	28 „

From tables in the Appendix it is seen that the yearly average price paid for silver bullion purchased in the market for coinage, from 1873 to 1882, has been as follows :—

	d.			*d.*	
1873	58 13/16	per ounce.	1878	50 1/16	per ounce.
1874	58¾	„	1879	52⅞	„
1875	56⅞	„	1880	52⅛	„
1876	—		1881	51 13/16	„
1877	56 1/16	„	1882	51½	„

and the amount of seignorage on the silver coinage paid into the Exchequer during the same period was :—

	£	*s.*	*d.*		£	*s.*	*d.*
1873...	85,680	10	2	1878...	22,268	15	6
1874...	101,120	0	0	1879...	32,208	19	5
1875...	20,306	10	4	1880...	54,098	11	7
1876...	52,286	2	0	1881...	118,002	5	5
1877...	31,439	2	11	1882...	79,257	15	6

Interesting information is given, as usual, in regard to the operation of foreign Mints, and those of the United States are specially important. The value of the gold coined in the United States, in the fiscal year ending the 30th of June, 1882, was £17,882,690, against £15,746,770 in the preceding year; whilst the value of silver coined was £5,556,680, all, with the exception of about £2,000, in standard silver dollars, and of these, which numbered 27,772,075, 12,025,783 had not, at the close of the year, been removed from the Mints. It is estimated that the gold coin in circulation in the United States on the 1st October, 1882, was £102,438,000, against £93,698,000, at the beginning of November in 1881.

BANKRUPTCY REFORM.

The following Petition has been presented by Sir John Lubbock, Bart., M.P. :—

To the Honourable the Commons of the United Kingdom of Great Britain and Ireland in Parliament assembled.

The Humble Petition of the undersigned Bankers of London:

SHEWETH,

That your Petitioners, being by the nature of their business greatly interested in the Bankruptcy Laws, have watched with considerable interest the progress of legislation on this subject.

That a Bill entitled the Bankruptcy Bill No. 2, has been introduced into your Honourable House with the object of giving Creditors in Bankruptcy additional powers, viz. :—

(1.) To call for accounts.
(2.) To summon special meetings.
(3.) To insist on a division of the assets.
(4.) To change the Trustees if necessary.
(5.) To obtain a list of the Creditors.

Your Petitioners believe that these provisions would be of great advantage to the mercantile community.

Your Petitioners, therefore, humbly pray that the provisions of the above Bill may be passed into law.

And your Petitioners will ever pray, &c.

BARCLAY, BEVAN, TRITTON & Co.
BARNETTS, HOARES & Co.
BROWN, JANSON & Co.
CHILD & Co.
COUTTS & Co.
DIMSDALE, FOWLER, BARNARD & Co.
GLYN, MILLS, CURRIE & Co.
GOSLINGS & SHARPE.
HERRIES, FARQUHAR & Co.
CHARLES HOARE & Co.
CHARLES HOPKINSON & SONS.
MARTIN & Co.
PRAEDS & Co.
ROBARTS, LUBBOCK & Co.
Sir SAMUEL SCOTT, Bart., & Co.
WILLIAMS, DEACON & Co.

ALLIANCE BANK, LIMITED.
CAPITAL AND COUNTIES BANK, LIMITED.
CENTRAL BANK OF LONDON, LIMITED.
CITY BANK, LIMITED.
CONSOLIDATED BANK, LIMITED.
IMPERIAL BANK, LIMITED.
LONDON AND COUNTY BANK, LIMITED.
LONDON JOINT STOCK BANK, LIMITED.
LONDON AND SOUTH WESTERN BANK, LIMITED.
LONDON AND WESTMINSTER BANK, LIMITED.
UNION BANK OF LONDON, LIMITED.

A similar Petition, signed by many of the leading Merchants of London, has also been presented by Sir J. Lubbock.

QUESTIONS ON POINTS OF PRACTICAL INTEREST.

The Council desire to express their readiness to receive at all times questions which are of general interest, and in regard to which it would appear desirable to assimilate the practice of bankers.

The following questions have been received, and answers are appended, which, after careful deliberation, the Council have approved :—

Question I.—A. draws on a 2*s.* stamp a bill on B. for £52 10*s.*, which B., having received *bona fide* value, accepts. A., afterwards, fraudulently adds £100, by adding "one" before the figures, and "one hundred and" before the word "fifty," utilising spaces apparently left on purpose. A. then gets C. (a banker) to discount the bill for £152 10*s.* Who is legally entitled to bear the £100 loss, C., who discounted the bill, or B., who, by not challenging the unduly large stamp and the blank spaces between the words "of" and "fifty," thereby gave occasion for the fraudulent addition ?

Answer : C. would be able to recover the full amount of the bill from A., for whom he discounted it ; but it is very doubtful whether he could do so from B., the acceptor.

Question II.—If A. draws a cheque on his bankers (who have several other branches) payable to B., and crossed "yourselves," and the cheque is stolen in transmission by C., who hands it to a country bank for collection, they stamping it in the usual course and forwarding it direct by post to the bank on which it is drawn, who pays the amount over in good faith. Who, in this case, would be liable to A. for the money ?

Answer : The drawees would apparently be in error in paying the cheque mentioned, inasmuch as it is crossed to two bankers ; first to themselves, and secondly to the bankers who remitted it for payment.

QUESTION III.—Does a country bank, who receives a cheque for payment by post from another banker, become the "agent for collection" within the meaning of the *Bills of Exchange Act* (*sec.* 77, *sub-sec.* 5, and *sec.* 79, *sub-sec.* 1)? or, in other words, how far does one bank constitute itself the agent of another?

ANSWER: It has been held that a country bank receiving a cheque by post from another bank for payment does become the "agent for collection" of the sending bank. See the opinion of Mr. Arthur Cohen, Q.C., and Mr. M. D. Chalmers, quoted in the *Journal of the Institute of Bankers*, Vol. I., p. 233.

QUESTION IV.—A banker has discounted bills, the acceptors of which fail two months before the bills mature. Can the banker compel the customer for whom the bills were discounted to withdraw them directly after the acceptor's petition is filed, or must he wait until they are due?

ANSWER: In the absence of any special arrangement, the banker must wait until the maturity of the bills.

QUESTION V.—An ordinary cheque on demand drawn to order. Is the banker obliged to look as to endorsements beyond that of the payee, and would he be legally liable for paying a cheque endorsed over by the *payee* to a *third* party without *such second* endorsement?

ANSWER: If specially endorsed—yes. Even if there is a break in the endorsements, the banker is liable under the *Bills of Exchange Act.*

QUESTION VI.—A cheque irregularly indorsed, bearing on the face the stamp of A. B., bankers, has the indorsement guaranteed by B. C., bankers, of the same town. Should the banker on whom it is drawn obtain the guarantee of the banker whose stamp is impressed on the face of the cheque before paying it?*

ANSWER: The indorsement to a cheque can be guaranteed by a banker, or any one else whose indemnity is satisfactory to the drawee, quite independently of the crossing.

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* The stamp of A. B. does not indicate that they clear for B. C.

QUESTION VII.—Would a banker be legally justified in paying a cheque drawn as under without its being indorsed?

Pay to $\underbrace{\textit{the Order of A. B. \& Co.,}}_{\text{Written by drawer.}}$ or Bearer.

ANSWER: The banker would rather be justified in not paying the cheque without the indorsement of A. B. & Co.

QUESTION VIII.—A country banker, in accordance with the usage of the district, is accustomed to place uncleared cheques on other banks to credit of his customers as cash and to pay his customer's draft against such uncleared cheques. 1st. Can the banker properly refuse a customer's draft, marking it "effects not cleared," without first giving notice to his customer that he intends to alter his accustomed usage? 2nd. Can he do so after notice contrary to the usage of the district?

ANSWER: In both cases the banker is quite justified in refusing his customer's cheque, with the answer "effects not cleared."

QUESTION IX.—Is a promissory note drawn in the following form negociable:—

£100. London, 1st January, 1883.

Three months after date I promise to pay John Smith the sum of one hundred pounds; value received.

JOHN ROBINSON.

ANSWER: Yes, under the provisions of the *Bills of Exchange Act*, 1882, *clause* 8, *sec.* 4.

QUESTION X.—The customer of a bank dies. His executors open an account. Is it right to open it as "The executors of John Brown—William Smith, Henry Robinson, and George Jones," or merely in the name of the executors?

ANSWER: The objection to opening an account, which, upon the face of it, is a trust account, does not apply to the case of an account in the names of executors. A banker, by opening an account which admits distinct notice of a trust, might find himself involved in the consequences of a breach of trust on the part of his customer, as for

instance: if he should honour the cheque of one only of the trustees, although with the authority of all, and the money should be misapplied.

There is no such risk in the case of executorship accounts. The act of one executor is regarded in law as the act of all, and each executor may legally sign cheques upon the executorship account. The account may, therefore, in the case supposed, be safely and properly opened as "The executors of John Brown—William Smith, Henry Robinson, and George Jones."

QUESTION XI.—Does the banker need an authority signed by all the executors to pay the cheques of one?

ANSWER: From our foregoing answer it will be seen that the banker does not need an authority signed by all the executors to pay the cheques of one, but the usual practice is to require it.

QUESTION XII.—At the request of a customer, a country banker draws a draft payable to a third party upon his bankers in London. Is the country banker entitled to stop payment of it upon the instruction of his customer without enquiry, or does he incur risk by so doing?

ANSWER: If the country banker stops payment of the draft upon the instructions of his customer, and it turns out that the draft has come to the hands of a person who is the holder of it in due course, he (the country banker) is liable to be sued by the holder.

RESULTS OF EXAMINATIONS HELD ON THE 21ST, 22ND, AND 23RD MAY, 1883.

THE names of the successful Candidates at the recent Examinations are now published.

Under the regulations the Examinations to be conducted by the Institute are divided into two parts, embracing a Preliminary Examination, and another, of a more advanced character, to be held after the lapse of not less than one year from the first. Members have also the option of taking one or more subjects only, and completing the course at subsequent Examinations. The names of those who have availed themselves of such partial Examination will not be published until the whole course has been completed.

FINAL EXAMINATION.

(Entitling the successful Candidate to the Certificate of the Institute.)

EASTON, HARRY TUCKER, Messrs. Smith, Payne & Smiths ... London.
MANLY, ROBERT, Messrs. Melville, Evans & Co. ... ... London.
POWELL, THOS. SYKES, Manchester and County Bank ... Manchester.

PRELIMINARY EXAMINATION.

Candidates who have passed this must pass an advanced Examination after an interval of not less than a year, to entitle them to the Certificate of the Institute.

CHERRY, ALBERT HENRY, Manchester and Liverpool District Bank ... ... Stafford.
CLAY, HENRY, Bradford Old Bank ... ... Bradford.
HARLOW, EDWARD BURTON, Messrs. J. & J. C. Wright ... Nottingham.
JANION, EDWIN MANIFOLD, North and South Wales Bank ... Liverpool.
JONES, HENRY, National Provincial Bank of England ... London.
LIGHTFOOT, JOHN, Bradford Old Bank... ... ... Bradford.
OWEN, JOHN THOMAS, Burton, Uttoxeter, and Ashbourne Union Bank ... ... Burton.
PLATT, ROBERT MATTHEW, Messrs. Cunliffe, Brooks & Co.... Manchester.

EXAMINATION PAPERS—MAY, 1883

I.—PRACTICAL BANKING.

Preliminary Paper.

1.—Give some account of the different classes of banks.

2.—Is there any limit to the number of partners in a private bank. If so, what is that limit?

3.—Describe the *modus operandi* of the country clearing.

4.—State what are the documents usually known as "shipping documents," and what formalities are required to make them complete.

5.—What are the bank holidays

in England,
Scotland,
Ireland?

6.—What constitutes a "crossing" upon a cheque?

7.—Give an explanation of noting and protesting bills of exchange. State under what circumstances either process is necessary, on what precise date a bill should be noted or protested, and the consequences of not noting and protesting.

8.—Explain the meaning of the indication at foot of a bill of exchange, "in need with Messrs. A. and Co."

9.—What bankers may issue notes?

10.—Give a short account of modern banking.

II.—PRACTICAL BANKING.

Final Paper.

1.—May bank notes, which have been presented to a banker for payment, and which have been paid either by a principal or an agent, be issued again to the public?

2.—A promissory note is drawn for £1,000, payable on demand. with 5 per cent. interest from the date thereof. What stamp does it require?

3.—State shortly the leading features of the suspension of cash payments by the Bank of England.

4.—What are the disadvantages of a loan upon deeds of leasehold or freehold property?

5.—Give some particulars of the constitution of a chartered bank, and define the position and liability of its shareholders.

6.—What is the position of a creditor here of a foreign or Anglo-foreign bank whose head office is abroad, with only a branch or agency in the United Kingdom?

7.—In what kind of securities should a banker invest his capital and surplus monies?

8.—Explain the meaning of "hypothecated bills," and state what are the duties of a banker holding such bills.

9.—Can the balance of a banker's customer be attached under the authority of any Court?

10.—What is the duty of a banker in respect to the payment of cheques when the drawer is

(*a*) Dead,
(*b*) Bankrupt,
(*c*) *Non compos mentis*?

III.—POLITICAL ECONOMY.

Preliminary Paper.

1.—"Political Economy is in great measure a negative study, teaching little or nothing in aid of the productive powers of man. Remove all monopolies, prohibitions and restrictions, and its importance is at an end."

Examine this statement.

2.—What are the principal distinctions drawn by the economist between different kinds of Capital? Give examples of the use afterwards made of these distinctions.

3.—State carefully the law of diminishing returns. Is it peculiar to the case of agricultural production?

"No small parts of the net annual profits of agriculture in Somersetshire and Hampshire go up to London to be loaned to the manufacturers of Yorkshire and Lancashire; while in the United States the current is reversed, and the manufacturing dividends of New England go to the West to be invested in agriculture." Can you explain this?

4.—What do you understand by Normal Value? It has been described by various writers as Cost Value, Natural Value, Average Value, Remunerative Value, Equilibrium Value, Permanent Value, Competition Value. Discuss the propriety of these several designations.

5.—State the general conditions affecting the rate of interest on good security. How would you explain the comparative fixity of this rate as compared with other economic rates—with the rate of discount, for instance, or the rates of wages?

What special circumstances affect the rate of interest obtainable by investment in Consols?

6.—What are the principal requisites of a sound currency? How far are they found in our English currency? and in what respects chiefly is it defective?

7.—The Bank rate of discount has been called the barometer of the Money Market. Explain the nature of the considerations by which it is fixed, and of the indications which it affords.

8.—Discuss the probable effects on prices and on the distribution of wealth (*a*) of the adoption of a gold standard by all European countries, (*b*) of the discovery of new gold mines, (*c*) of the increased use of convertible paper, such as postal orders, £1 notes, or cheques for small sums.

IV.—POLITICAL ECONOMY.

Final Paper.

1.—Give a concise account of the treatment of the subject of Rent by economists, from the doctrine of "*produit net*," down to the doctrine of the "unearned increment;" showing the political corollaries which followed from the various economic theories.

2.—What are the chief circumstances which determine the value of gold, either in relation to commodities in general, or to silver?

It has been said that bi-metallism implies an attempt on the part of the governments adopting it to establish an arbitrary ratio of exchange between gold and silver, and so to over-ride the economic or market ratio established by the natural working of the laws of supply and demand. Examine this objection.

3.—"The perfection of banking is to enable a country, by means of a paper currency (always retaining its standard value), to carry on its circulation with the least possible quantity of coin or bullion."

How far has Ricardo here adequately expressed the functions of modern banking? What are the chief considerations by which the "least possible quantity" is determined?

4.—State, and explain the causes of, the principal periodic fluctuations in the amount of the metallic and note circulation.

Why is a knowledge of these fluctuations of practical importance to a banker?

5.—Examine the effect on the profits of banking of a high and a low rate of interest respectively.

How would you explain the very different rates of profit made by the Bank of England, by the great London Joint Stock Banks, and by certain country banks ?

6.—Give a brief history of the Bank Restriction, and of the circumstances which led to it. What was the result of the controversy on the the resumption of specie payments ? and what contribution did Ricardo make to that controversy ?

7.—Give a sketch of the movement of trade during a complete cycle of inflation and depression. Why does this cyclical movement generally involve the occurrence of a financial crisis ? and how would you account for the absence of any definite and well-marked crisis since the year 1866 ?

8.—What are the chief principles on which the interposition of public authority to regulate the action of competition and private interest can be justified ? Illustrate your answer by considering the most important cases of State interposition in regard to the business of banking.

V.—COMMERCIAL LAW.

Preliminary Paper.

1.—Define the terms "holder," "bearer," "issue of a bill," "acceptance for honour," "noting a bill," "payment in due course."

2.—When does a bill require to be protested, and how is protest made ?

3.—Suppose a cheque is drawn for "thirty pounds," and in the margin are the figures £20, what is the sum payable ?

4.—What is the effect of a fraudulent alteration of a bill if it is in the hands of a holder in due course ? What is a material alteration ?

5.—What facts excuse giving notice of dishonour to the drawer of a bill ?

6.—How is a bill payable on demand to be stamped, and when ?

7.—Who may cross a cheque, and what different crossings may be put on it ?

8.—How can a banker's authority to pay his customers cheques be revoked ?

9.—What is the difference between an acceptance "payable at the Ayre Bank" and an acceptance "payable at the Ayre Bank only."

VI.—COMMERCIAL LAW.

Final Paper.

1.—What is meant by a "banker's lien," and under what circumstances does it arise?

2.—What is meant by "legal tender?" What are the rules as to legal tender in England.

3.—What is meant by the relation back of the title of a trustee in bankruptcy. What is the effect of such relation back?

4.—Suppose a contract is entered into with a firm, what is the effect of the death of one of the contracting partners.

5.—Define "holder in due course," "good faith," "cheque," "qualified acceptance," "restrictive indorsement."

6.—What, besides signature, is necessary to complete an acceptance and an indorsement?

7.—What circumstances excuse giving notice of dishonour to the indorser of a bill which is refused payment?

8.—What is the effect of payment for honour, and who may so pay a bill?

9.—What is the duty of the person paying as regards a bill which is indorsed conditionally, *e.g.*, "Pay C. on the arrival of the ship 'Swallow' at Liverpool?"

VII.—ARITHMETIC AND ALGEBRA.

Preliminary Paper.

1.—What are prime numbers? and when are numbers said to be prime to each other? Resolve 18018 and 263340 into their prime factors, thence find their G.C.M. and L.C.M., and then reduce $\frac{18018}{263340}$ to its simplest form.

2.—Simplify $$\frac{1\frac{1}{2} \text{ of } 2\frac{3}{4} + \frac{7}{9} \text{ of } \frac{3}{5} \text{ of } 6}{(2\frac{7}{9} - 1\frac{5}{6}) \times (1\frac{1}{4} + 2\frac{7}{8} - \frac{2}{3}) \div \frac{1}{3} \text{ of } 5}$$

3.—Add together $7{\cdot}025$, $3{\cdot}0\dot{4}$, $8{\cdot}\dot{2}\dot{6}$, and $7.0\dot{4}6\dot{2}$; subtract $3{\cdot}\dot{1}24\dot{5}$ from their sum; and divide $2{\cdot}1\dot{6}$ by $3{\cdot}2\dot{2}\dot{4}$ correct to six places.

4.—Find the square root of $2689{\cdot}4596$.

5.—Find by Practice the amount of a yearly income at the average rate of £2 18*s.* 9¾*d.* per day.

6.—A sum of £450 lies at Simple Interest for two years at the rate of 4 per cent. per annum. How much more would have been gained if it had been placed at Compound Interest, the Interest being added on half-yearly?

7.—What will be the cost of purchasing an Annuity of £200 if the 3 per cent. Consols are selling at $102\frac{1}{8}$? (Reckon brokerage at $\frac{1}{8}$ per cent.)

8.—The cost in New York of a Bill for £1,297 5*s*. on London is \$7,155 30*c*. when the rate of exchange is quoted at 4·80. What must be the quotation for gold?

9.—What would be the discounter's charge on the 31st May for discounting a Bill for £1,050 drawn on the 4th of May at three months, the rate of discount being $4\frac{1}{2}$ per cent. per annum?

10.—Divide $x^8 + x^4y^4 + y^8$ by $x^2 + xy + y^2$ and simplify $\dfrac{a^4 - x^4 - (a^2 + x^2)(a + x) + a^2(a^2 - x^2)}{a(a^2 - x^2)}$ and find the value of the latter expression when $a = 5$ and $x = -3$.

11.—Solve these equations:—

(i.) $\dfrac{a + x}{a - x} + \dfrac{a - x}{a + x} = 12$

(ii.) $\frac{1}{3}(8 - x) + \dfrac{x + 3}{2} = \dfrac{5x}{2} - \dfrac{9x - 7}{5}$

12.—Solve $\dfrac{2 + x}{2 + y} = \frac{3}{4}$

$\dfrac{2 - x}{2 - y} = \frac{4}{3}$

VIII.—ARITHMETIC AND ALGEBRA.

Final Paper.

1.—Prove the rule for determining the position of the decimal point in the product obtained by multiplying two decimal fractions together; and reduce to its simplest form

$$\left\{(\cdot 0\dot{5} - \cdot\dot{0}\dot{5})^2 + (\cdot\dot{5}\dot{0} - \cdot\dot{5})\right\} \div \cdot 0\dot{0}\dot{5}$$

2.—Find the value of $2 \times \sqrt{3} + \sqrt[3]{24}$ correct to within less than a thousandth.

3—Find the value of $\dfrac{(19{\cdot}4)^{3} \times ({\cdot}0375)^{\frac{1}{3}}}{({\cdot}72)^{\frac{1}{5}} \times \sqrt{3607}}$ having given log. 194 = 2·2878017 ; log. 3607 = 3·5571461 ; log. 2 = ·30103 ; log. 3 = ·4771213 ; log. 43455 = 4·6380398 ; and log. 43456 = 4·6380497

4.—What sum of money will yield £3 16*s.* 3*d.* more when placed at Compound Interest, calculated yearly for three years at 5 per cent., than when put out at Simple Interest for the same time and at the same rate ?

5.—What is the present value of an annuity of £125 to continue for four years, Compound Interest being reckoned at 4 per cent. per annum ?

6.—For £500 I purchase the reversion of a freehold estate after twenty years. What rent ought it to produce in order that I may have Compound Interest at the rate of 6 per cent. for my money ? (Log. 106 = 2·0253059 ; log. 32071 = 4·5061125 ; and log. 32072 = 4·5061260).

7.—A merchant in Paris has to make a remittance of 40,000 dollars to New York, and this is effected by his correspondent in London buying London paper on New York at 4·88, and drawing upon him in return at 22·45. What sum must his remittance cost him ?

8.—When the 3 per cents. are at 102 I find that by selling out and investing in the India 4 per cents. at 108$\frac{97}{120}$, I can improve my income by £48. What was the amount of my Stock in the 3 per cents. ? (Reckon brokerage at $\frac{1}{8}$ per cent. throughout.)

9.—The ratio of the interest on a certain sum to the true discount on the same sum, at a certain rate per cent. for two years, Simple Interest, is as 6 to 5 ; find the rate per cent. And if the difference between this interest and the true discount for the above time be £2, find the sum.

10.—The sum of £813 is invested partly in the 3 per cents. at 102, and partly in the 4 per cents. at 135, in such a proportion that the income from each is the same ; find the total income. (Reckon brokerage at $\frac{1}{8}$ per cent.)

IX.—BOOK-KEEPING.

Preliminary Paper.

1.—What is the object of book-keeping ?

2.—How many systems of book-keeping are used, and give the names ?

3.—Into how many classes may the accounts usually kept be divided ?

4.—How is the result of an account arrived at?

5.—Give the names of the books used in book-keeping.

6.—State which of them is essential when the "double entry" system is used.

7.—On which side of the Cash Account are monies received and paid respectively placed?

8.—On which side of the ledger are receipts and payments respectively posted?

9.—On which side of the ledger are goods bought and sold respectively posted?

10.—On which side of the ledger do the liabilities and assets respectively appear?

X.—BOOK-KEEPING.

Final Paper.

1.—What is a balance sheet?

2.—What is the first step after the books are balanced towards preparing a balance sheet?

3.—On which side of a balance sheet ought the liabilities and assets to appear, and why?

4.—How can a trader who keeps his books by "single entry" ascertain the result of his trading?

5.—How is the same result arrived at by means of "double entry" book-keeping?

6.—Explain the advantage of book-keeping by "double entry" over that by "single entry."

7.—Explain the difference between "Gross" and "Net" profits.

8.—Work out the following, and draw up a profit and loss account and balance sheet therefrom:—

Capital 1st January, 1882, consisting of stock in trade	£5,000
Purchases during the year 1882	30,000
Do. paid for during the year	25,000
Sales during the year 1882	40,000
Cash received during the year on account of ditto ...	34,000
Sundry trade expenses paid	2,000
Rent, taxes, &c., paid	250
Discounts and allowances made to customers	450
Returns by customers	225
Drawings	1,000
Stock on hand 31st December, 1882	2,500

EXAMINATIONS FOR THE CERTIFICATE OF THE INSTITUTE.

Examinations will be held on the following subjects, viz.:—

ARITHMETIC AND ELEMENTARY ALGEBRA.
BOOK-KEEPING.
COMMERCIAL LAW.
POLITICAL ECONOMY.
PRACTICAL BANKING.

The Examinations will be divided into two parts, extending over a period of two years, the first Examination being of a preliminary character, and the second—to be held after the lapse of not less than one year from the first—being of a more advanced character.

These Examinations, both preliminary and final, will be held in the month of May in each year. Candidates must, however, before the 1st April in each year give notice to the Secretary of their intention to present themselves for Examination.

Every Candidate who shall fail to pass in one or more subjects, either in the preliminary or final Examination, shall be required to pass at a later date in those subjects only in which he has failed; but he shall not proceed to the final Examination until a year after he has passed in all the subjects of the preliminary.

A certain minimum of marks shall be required in each subject to enable a Candidate to pass, and the names of successful Candidates at each Examination shall be placed alphabetically in the official list which will appear in the *Journal* of the Institute.

Subject to the approval by the Council of the Report of the Examiners, a Memorandum, signed by the Secretary, shall be given to those who pass the preliminary Examination; but the Certificate of the Institute, signed by the President of the Institute and the Chairman of the Council, shall not be issued until the final Examination has also been passed.

The Certificate of the Institute, so given, shall entitle a Member to be elected an Associate.

The Examinations shall be held by means of printed papers, and as far as practicable, in various places simultaneously, as may be needed to meet the convenience of Candidates.

The Examinations in the country will probably be conducted under the superintendence of a Fellow of the Institute, to whom the printed papers will be forwarded in a sealed packet. These papers shall be opened in the presence of the Candidates, at the time of the Examination, and answers thereto shall be transmitted to the Council by the next post.

An Entrance Fee of Five Shillings shall be required from every Candidate on each occasion of sending in his name for examination, such Fee to cover all the subjects taken up at any one period of Examination.

No Candidate shall be admitted to any Examination unless he have previously paid his Fee to to the Secretary; and if, after payment of his Fee, a Candidate withdraws his name, or fails to present himself for examination, the Fee shall not be returned to him.

An official receipt for the said Fee, stating thereon the Candidate's name and address in full, signed by the Secretary, shall be given to each Candidate, and the presentation of this receipt to the Superintendent at the time of examination shall invariably be required.

Candidates are informed that bad handwriting may be visited with loss of marks, and that the general style and intelligence of the answers will always be taken into account.

No information whatever will be given respecting the marks obtained, or the names of unsuccessful candidates.

Whilst the best efforts will be made to secure examinations for Country Members in their neighbourhoods, the Council do not guarantee the carrying out of this arrangement in all cases.

A Syllabus of the above scheme, and of the various Works recommended to be studied, may be found in the number of the Journal for November, 1879.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. April 25. 1	1883. May 2. 2	1883. May 9. 3	1883. May 16. 4	1883. May 23. 5	1882. May 24. 6
BANK OF ENGLAND.						
ISSUE DEPARTMENT.	£	£	£	£	£	£
Notes issued	35,974	35,770	35,263	34,639	34,897	*38,043*
Government debt	11,015	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,735	4,735	4,735	4,735	4.735	*4,735*
Gold coin and bullion	20,224	20,020	19,513	18,889	19,147	*22,293*
	35,974	35,770	35,263	34,639	34,897	*38,043*
BANKING DEPARTMENT.						
LIABILITIES.						
Proprietors' capital	14,553	14,553	14,553	14,553	14,553	*14,553*
Rest	3,096	3,100	3,112	3,121	3,126	*3,126*
Public deposits	6,848	7,036	7,352	6,702	7,388	*6,124*
Other deposits	22,634	23,533	23,282	23,450	22,081	*23,645*
Seven day and other bills	181	219	212	202	192	*226*
Total	47,312	48,441	48,511	48,028	47,340	*47,674*
ASSETS.						
Government securities	14,335	14,335	14,335	13,835	13,835	*13,474*
Other securities	21,654	23,615	23,869	24,373	23,092	*20,875*
Notes	10,361	9,501	9,271	8,851	9,430	*12,233*
Gold and Silver coin	962	990	1,036	969	983	*1,092*
Total	47,312	48,441	48,511	48,028	47,340	*47,674*
Notes in the hands of the Public	25,613	26,269	25,992	25,788	25,467	*25,810*
Reserve	11,323	10,491	10,307	9,820	10,413	*13,325*
Proportion of reserve to liabilities (per cent.)	38·17	34·07	33·41	32·35	35·10	*44·42*
Rate of discount	3 %	3 %	4 %	4 %	4 %	*3 %*

	April 26.	May 3.	May 10.	May 17.	May 24.	*May 25.*
RATES OF EXCHANGE ON LONDON.						
Paris, cheque— (par £1=25f. 22½ c.)	25·22	25·20½	25·25⅛	25·26¼	25·27½	*25·16*
erlin, 8 days— (par £1=20m. 43 pf.)	20·44¼	20·45½	20·47	20·49⅛	20·50	*20·43*
w York, 60 days— (par £1=$4·867)	4·82½	4·82¾	4·83	4·83	4·84¼	*4·86¾*
lcutta, 4 m/d— (per rupee)	1s. 7⅜d.	1s. 7 13/32d.	1s. 7 5/16d.	1s. 7 9/32d.	1s. 7 5/16d.	*1s. 8¼d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus: £1,000=£1,000,000.

For the weeks ending	1883. April 26. 1	1883. May 3. 2	1883. May 10. 3	1883. May 17. 4	1883. May 24. 5	*1882. May 25. 6*
BANK OF FRANCE. (Converting the franc at 25 to the £)						
LIABILITIES.	£	£	£	£	£	£
Public deposits	5,692	5,273	5,318	4,809	4,235	*17,853*
Private deposits	18,514	17,530	18,289	17,839	18,346	*16,970*
Notes in circulation	114,383	116,978	115,867	115,809	115,350	*106,307*
Other items	12,523	13,932	12,632	12,902	12,643	*12,974*
Total	151,112	153,713	152,106	151,359	150,574	*154,104*
ASSETS.						
Gold	39,991	40,297	40,275	40,359	40,492	*36,604*
Silver	41,834	41,999	41,932	41,937	42,007	*46,242*
Bills	39,345	41,207	39,558	39,080	37,802	*41,816*
Advances	18,075	18,336	18,291	18,142	18,147	*17,220*
Other items	11,867	11,874	12,050	11,841	12,126	*12,222*
Total	151,112	153,713	152,106	151,359	150,574	*154,104*
Rate of discount	3 %	3 %	3 %	3 %	3 %	*3½ %*
	April 30.	May 7.	May 15.	May 23.		*May 23.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)						
LIABILITIES.	£	£	£	£		£
Notes in circulation	37,545	36,766	35,609	34,723		*35,233*
Current accounts	9,636	10,104	10,473	11,552		*9,090*
Other items	6,995	6,992	6,990	6,988		*6,921*
ASSETS.						
Coin and bullion	31,074	31,029	31,324	31,954		*28,986*
Bills and Loans	19,877	19,457	18,364	17,899		*17,951*
Other items	3,619	3,777	6,778	3,846		*4,767*
Rate of discount	4 %	4 %	4 %	4 %		*4%*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. April 7. 1	1883. April 14. 2	1883. April 21. 3	1883. April 28. 4	1883. May 5. 5	1882. May 6. 6
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).						
LIABILITIES.	£	£	£	£	£	£
Notes in Circulation	3,306	3,299	3,299	3,268	3,247	*3,756*
Net Deposits	56,196	56,830	57,335	57,984	59,394	*60,536*
ASSETS.						
Loans and Discounts	62,208	62,044	62,161	62,579	63,101	*63,047*
Specie	10,125	10,612	10,774	10,747	11,154	*13,148*
Legal Tenders	3,184	3,537	3,684	3,928	4,015	*3,916*
Legal Reserve (being one-fourth of net Deposits)	14,049	14,207	14,334	14,496	14,848	*15,134*
Reserve held (consisting of Specie and Legal Tenders)	13,309	14,149	14,458	14,675	15,169	*17,064*
Surplus...........	*740	*58	124	179	321	*1,930*
	April 28.	May 2.	May 9.	May 16.	May 23.	*May [illegible]*
MISCELLANEOUS.						
Clearing-house returns...........	£ 98,078	£ 131,094	£ 105,120	£ 125,810	£ 97,212	£ *95,148*
Average price of wheat	41s. 8d.	42s.	42s. 10d.	43s.	43s. 7d.	*47s.*
Price of consols	102¾	102⅛	101⅞	102	102¼	*102¼*
Bar silver, fine, per oz. standard	50 7/16 d.	50⅜d.	50⅛d.	50 1/16 d.	50⅛d.	*52⅜d.*
3% French Rentes	79·87½	80·25	79·62½	80·	80·20	*83·57½*

* Deficit.

The Institute of Bankers.

OCTOBER, 1883.

BANKRUPTCY ACT, 1883.

[46 & 47 VICT., CH. 52.]

ARRANGEMENT OF SECTIONS.

PRELIMINARY.

PART I.

PROCEEDINGS FROM ACT OF BANKRUPTCY TO DISCHARGE.

Acts of Bankruptcy.

Receiving Order.

Proceedings consequent on Order.

Section.

15. First and other meetings of creditors.
16. Debtor's statement of affairs.

Public Examination of Debtor.

17. Public examination of debtor.

Composition or Scheme of Arrangement.

18. Power for creditors to accept and Court to approve composition or arrangement.
19. Effect of composition or scheme.

Adjudication of Bankruptcy.

20. Adjudication of bankruptcy where composition not accepted or approved.
21. Appointment of trustee
22. Committee of inspection.
23. Power to accept composition or scheme after bankruptcy adjudication.

Control over Persons and Property of Debtor.

24. Duties of debtor as to discovery and realisation of property.
25. Arrest of debtor under certain circumstances.
26. Re-direction of debtor's letters.
27. Discovery of debtor's property.

Discharge of Bankrupt.

28. Discharge of bankrupt.
29. Fraudulent settlements.
30. Effect of order of discharge.
31. Undischarged bankrupt obtaining credit to extent of 20*l.* to be guilty of misdemeanor.

PART II.

Disqualifications of Bankrupt.

32. Disqualifications of bankrupt.
33. Vacating of seat in House of Commons.
34. Vacating of municipal and other offices.
35. Power for court to annul adjudication in certain cases.
36. Meaning of payment of debts in full.

PART III.

Administration of Property.

Proof of Debts.

Property available for Payment of Debts.

Effect of Bankruptcy on antecedent Transactions.

Realization of Property.

Distribution of Property.

PART IV.

Official Receivers and Staff of Board of Trade.

PART V.

Trustees in Bankruptcy.

Remuneration of Trustee.

Costs.

Receipts, Payments, Accounts, Audit.

Release of Trustee.

Official Name.

Appointment and Removal.

Fees, Salaries, Expenditure, and Returns.

Evidence.

Time.

Notices.

Formal Defects.

Stamp Duty.

Executions.

Bankrupt Trustee.

Corporations, &c.

Construction of former Acts, &c.

Section.
149. Construction of Acts mentioning commission of bankruptcy, &c.
150. Certain provisions to bind the Crown.
151. Saving for existing rights of audience.
152. Married women.

Transitory Provisions.

153. Comptroller of bankruptcy, &c., and their staff.
154. Power to abolish existing offices.
155. Performance of new duties by persons whose offices are abolished.
156. Selection of persons from holders of abolished offices.
157. Acceptance of public employment by annuitants.
158. Superannuation of registrars, &c.
159. Transfer of estates on vacancy of office of trustee in liquidation under the Bankruptcy Act, 1869.
160. Transfer of outstanding property on close of bankruptcy or liquidation.
161. Transfer of estates from registrars of London Court to official receiver.

Unclaimed Funds or Dividends.

162. Unclaimed and undistributed dividends or funds under this and former Acts.

Punishment of Fraudulent Debtors.

163. Extension of penal provisions of 32 & 33 Vic. c. 62. to petitioning debtors, &c.
164. Power for Court to order prosecution on report of official receiver.
165. Power for Court to commit for trial.
166. Public Prosecutor to act in certain cases.
167. Criminal liability after discharge or composition.

Interpretation.

168 Interpretation of terms.

Repeal.

169. Repeal of enactments.
170. Proceedings under 32 & 33 Vict., c. 71, ss. 125, 126.
SCHEDULES.

BANKRUPTCY ACT, 1883.

46 & 47 Vict., Chap. 52.

An Act to Amend and Consolidate the Law of Bankruptcy.

25th August, 1883.

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :

Preliminary.

1. This Act may be cited as the Bankruptcy Act, 1883. **Short title.**

2. This Act shall, not except so far as is expressly provided, extend to Scotland or Ireland. **Extent of Act.**

3. This Act shall, except as by this Act otherwise provided, commence and come into operation from and immediately after the thirty-first day of December one thousand eight hundred and eighty-three. **Commencement of Act.**

PART I.

Proceedings from Act of Bankruptcy to Discharge.

Acts of Bankruptcy.

4. (1.) A debtor commits an act of bankruptcy in each of the following cases:— **Acts of bankruptcy.**

(*a.*) If in England or elsewhere he makes a conveyance or assignment of his property to a trustee or trustees for the benefit of his creditors generally :

(*b.*) If in England or elsewhere he makes a fraudulent conveyance, gift, delivery, or transfer of his property, or of any part thereof:

(*c.*) If in England or elsewhere he makes any conveyance or transfer of his property or any part thereof, or creates any

charge thereon which would under under this or any other Act be void as a fraudulent preference if he were adjudged bankrupt.

(*d.*) If with intent to defeat or delay his creditors he does any of the following things, namely, departs out of England, or being out of England remains out of England, or departs from his dwelling-house, or otherwise absents himself, or begins to keep house:

(*e.*) If execution issued against him has been levied by seizure and sale of his goods under process in an action in any Court, or in any civil proceeding in the High Court:

(*f.*) If he files in the Court a declaration of his inability to pay his debts or presents a bankruptcy petition against himself:

(*g.*) If a creditor has obtained a final judgment against him for any amount, and execution thereon not having been stayed, has served on him in England, or, by leave of the Court, elsewhere, a bankruptcy notice under this Act, requiring him to pay the judgment debt in accordance with the terms of the judgment, or to secure or compound for it to the satisfaction of the creditor or the Court, and he does not, within seven days after service of the notice, in case the service is effected in England, and in case the service is effected elsewhere, then within the time limited in that behalf by the order giving leave to effect the service, either comply with the requirements of the notice, or satisfy the Court that he has a counter-claim set off or cross demand which equals or exceeds the amount of the judgment debt, and which he could not set up in the action in which the judgment was obtained:

(*h.*) If the debtor gives notice to any of his creditors that he has suspended, or that he is about to suspend, payment of his debts.

(2.) A bankruptcy notice under this Act shall be in the prescribed form, and shall state the consequences of non-compliance therewith, and shall be served in the prescribed manner.

Receiving Order.

Jurisdiction to make receiving order.

5. Subject to the conditions herein-after specified, if a debtor commits an act of bankruptcy the Court may, on a bankruptcy petition being presented either by a creditor or by the debtor, make an order, in this Act called a receiving order, for the protection of the estate.

Conditions on which creditor may petition.

6. (1.) A creditor shall not be entitled to present a bankruptcy petition against a debtor unless—

(*a.*) The debt owing by the debtor to the petitioning creditor, or, if two or more creditors join in the petition, the aggregate amount of debts owing to the several petitioning creditors, amounts to fifty pounds, and

(*b.*) The debt is a liquidated sum, payable either immediately or at some certain future time, and

(*c.*) The act of bankruptcy on which the petition is grounded has occurred within three months before the presentation of the petition, and

(*d.*) The debtor is domiciled in England, or, within a year before the date of the presentation of the petition, has ordinarily resided or had a dwelling-house or place of business in England.

(2.) If the petitioning creditor is a secured creditor, he must, in his petition, either state that he is willing to give up his security for the benefit of the creditors in the event of the debtor being adjudged bankrupt, or give an estimate of the value of his security. In the latter case, he may be admitted as a petitioning creditor to the extent of the balance of the debt due to him, after deducting the value so estimated in the same manner as if he were an unsecured creditor.

Proceedings and order on creditor's petition.

7. (1.) A creditor's petition shall be verified by affidavit of the creditor, or of some person on his behalf having knowledge of the facts, and served in the prescribed manner.

(2.) At the hearing the Court shall require proof of the debt of the petitioning creditor of the service of the petition, and of the act of bankruptcy, or, if more than one act of bankruptcy is alleged in the petition, of some one of the alleged acts of bankruptcy, and, if satisfied with the proof, may make a receiving order in pursuance of the petition.

(3.) If the Court is not satisfied with the proof of the petitioning creditor's debt, or of the act of bankruptcy, or of the service of the petition, or is satisfied by the debtor that he is able to pay his debts, or that for other sufficient cause no order ought to be made, the Court may dismiss the petition.

(4.) When the act of bankruptcy relied on is non-compliance with a bankruptcy notice to pay, secure, or compound for a judgment debt, the Court may, if it thinks fit, stay or dismiss the petition on the ground that an appeal is pending from the judgment.

(5.) Where the debtor appears on the petition, and denies that he is indebted to the petitioner, or that he is indebted to such an amount as would justify the petitioner in presenting a petition against him, the Court, on such security (if any) being given as the Court may require for payment to the petitioner of any debt which may be established against him in due course of law, and of the costs of establishing the debt, may instead of dismissing the petition stay all proceedings on the petition for such time as may be required for trial of the question relating to the debt.

(6.) Where proceedings are stayed, the Court may, if by reason of the delay caused by the stay of proceedings or for any other cause it thinks just, make a receiving order on the petition of some other creditor, and shall thereupon dismiss, on such terms as it thinks just, the petition in which proceedings have been stayed as aforesaid.

(7.) A creditor's petition shall not, after presentment, be withdrawn without the leave of the Court.

Debtor's petition and order thereon.

8. (1.) A debtor's petition shall allege that the debtor is unable to pay his debts, and the presentation thereof shall be deemed an act of bankruptcy without the previous filing by the debtor of any declaration of inability to pay his debts, and the Court shall thereupon make a receiving order.

(2.) A debtor's petition shall not, after presentment, be withdrawn without the leave of the Court.

Effect of receiving order.

9. (1.) On the making of a receiving order an official receiver shall be thereby constituted receiver of the property of the debtor, and thereafter, except as directed by this Act, no creditor to whom the debtor is indebted in respect of any debt provable in bankruptcy shall have any remedy against the property or person of the debtor in respect of the debt, or shall commence any action or other legal proceedings unless with the leave of the Court and on such terms as the Court may impose.

(2.) But this section shall not affect the power of any secured creditor to realize or otherwise deal with his security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed.

Discretionary powers as to appointment of receiver and stay of proceedings.

10. (1.) The Court may, if it is shown to be necessary for the protection of the estate, at any time after the presentation of a bankruptcy petition, and before a receiving order is made, appoint the official receiver to be interim receiver of the property of the debtor, or of any part thereof, and direct him to take immediate possession thereof or of any part thereof.

(2.) The Court may at any time after the presentation of a bankruptcy petition stay any action, execution, or other legal process against the property or person of the debtor, and any Court in which proceedings are pending against a debtor may, on proof that a bankruptcy petition has been presented by or against the debtor, either stay the proceedings or allow them to continue on such terms as it may think just.

Service of order staying proceedings.

11. Where the Court makes an order staying any action or proceeding, or staying proceedings generally, the order may be served by sending a copy thereof, under the seal of the Court, by prepaid post letter to the address for service of the plaintiff or other party prosecuting such proceeding.

Power to appoint special manager.

12. (1.) The official receiver of a debtor's estate may, on the application of any creditor or creditors, and if satisfied that the nature of the debtor's estate or business or the interests of the creditors generally require the appointment of a special manager of the estate or business other than the official receiver, appoint a manager thereof accordingly to act until a trustee is appointed, and

with such powers (including any of the powers of a receiver) as may be entrusted to him by the official receiver.

(2.) The special manager shall give security and account in such manager as the Board of Trade may direct.

(3.) The special manager shall receive such remuneration as the creditors may, by resolution at an ordinary meeting, determine, or in default of any such resolution, as may be prescribed.

Advertisement of receiving order.

13. Notice of every receiving order, stating the name, address, and description of the debtor, the date of the order, the Court by which the order is made, and the date of the petition, shall be gazetted and advertised in a local paper in the prescribed manner.

Power to Court to annul receiving order in certain cases.

14. If in any case where a receiving order has been made on a bankruptcy petition it shall appear to the Court by which such order was made, upon an application by the official receiver, or any creditor or other person interested, that a majority of the creditors in number and value are resident in Scotland or in Ireland, and that from the situation of the property of the debtor, or other causes, his estate and effects ought to be distributed among the creditors under the Bankrupt or Insolvent Laws of Scotland or Ireland, the said Court, after such inquiry as to it shall seem fit, may rescind the receiving order and stay all proceedings on, or dismiss the petition upon such terms, if any, as the Court may think fit.

Proceedings consequent on Order.

First and other meetings of creditors.

15. (1.) As soon as may be after the making of a receiving order against a debtor a general meeting of his creditors (in this Act referred to as the first meeting of creditors) shall be held for the purpose of considering whether a proposal for a composition or scheme of arrangement shall be entertained, or whether it is expedient that the debtor shall be adjudged bankrupt, and generally as to the mode of dealing with the debtor's property.

(2.) With respect to the summoning of and proceedings at the first and other meetings of creditors, the rules in the First Schedule shall be observed.

Debtor's statement of affairs.

16. (1.) Where a receiving order is made against a debtor, he shall make out and submit to the official receiver a statement of and in relation to his affairs in the prescribed form, verified by affidavit, and showing the particulars of the debtor's assets, debts, and liabilities, the names, residences, and occupations of his creditors, the securities held by them respectively, the dates when the securities were respectively given, and such further or other information as may be prescribed or as the official receiver may require.

(2.) The statement shall be so submitted within the following times, namely:

(i.) If the order is made on the petition of the debtor, within three days from the date of order.

(ii.) If the order is made on the petition of a creditor, within seven days from the date of the order.

But the Court may, in either case, for special reasons, extend the time.

(3.) If the debtor fails without reasonable excuse to comply with the requirements of this section, the Court may, on the application of the official received, or of any creditor, adjudge him bankrupt.

(4.) Any person stating himself in writing to be a creditor of the bankrupt may, personally or by agent, inspect this statement at all reasonable times, and take any copy thereof or extract therefrom, but any person untruthfully so stating himself to be a creditor shall be guilty of a contempt of court, and shall be punishable accordingly on the application of the trustee or official receiver.

Public Examination of Debtor.

Public examination of debtor.

17. (1.) Where the Court makes a receiving order it shall hold a public sitting, on a day to be appointed by the Court, for the examination of the debtor, and the debtor shall attend thereat, and shall be examined as to his conduct, dealings, and property.

(2.) The examination shall be held as soon as conveniently may be after the expiration of the time for the submission of the debtor's statement of affairs.

(3.) The Court may adjourn the examination from to time.

(4.) Any creditor who has tendered a proof, or his representative authorised in writing, may question the debtor concerning his affairs and the causes of his failure.

(5.) The official receiver shall take part in the examination of the debtor; and for the purpose thereof, if specially authorised by the Board of Trade, may employ a solicitor with or without counsel.

(6.) If a trustee is appointed before the conclusion of the examination he may take part therein.

(7.) The Court may put such questions to the debtor as it may think expedient.

(8.) The debtor shall be examined upon oath, and it shall be his duty to answer all such questions as the Court may put or allow to be put to him. Such notes of the examination as the Court thinks proper shall be taken down in writing, and shall be read over to and signed by the debtor, and may thereafter be used in evidence against him; they shall also be open to the inspection of any creditor at all reasonable times.

(9.) When the Court is of opinion that the affairs of the debtor have been sufficiently investigated, it shall, by order, declare that his examination is concluded, but such order shall not be made until after the day appointed for the first meeting of creditors.

Composition or Scheme of Arrangement.

Power for creditors to accept and Court to approve composition or arrangement.

18. (1.) The creditors may at the first meeting or any adjournment thereof, by special resolution, resolve to entertain a proposal for a composition in satisfaction of the debts due to them from the debtor, or a proposal for a scheme of arrangement of the debtor's affairs.

(2.) The composition or scheme shall not be binding on the creditors unless it is confirmed by a resolution passed (by a majority in number representing three fourths in value of all the creditors who have proved) at a subsequent meeting of the creditors, and is approved by the Court.

Any creditor who has proved his debt may assent to or dissent from such composition or scheme by a letter addressed to the official receiver in the prescribed form, and attested by a witness, so as to be received by such official receiver not later than the day preceding such subsequent meeting, and such creditor shall be taken as being present and voting at such meeting.

(3.) The subsequent meeting shall be summoned by the official receiver by not less than seven days' notice, and shall not be held until after the public examination of the debtor is concluded. The notice shall state generally the terms of the proposal, and shall be accompanied by a report of the official receiver thereon.

(4.) The debtor or the official receiver may, after the composition or scheme is accepted by the creditors, apply to the Court to approve it, and notice of the time appointed for hearing the application shall be given to each creditor who has proved.

(5.) The Court shall, before approving a composition or scheme, hear a report of the official receiver as to the terms of the composition or scheme and as to the conduct of the debtor, and any objections which may be made by or on behalf of any creditor.

(6.) If the Court is of opinion that the terms of the composition or scheme are not reasonable, or are not calculated to benefit the general body of creditors, or in any case in which the Court is required under this Act where the debtor is adjudged bankrupt to refuse his discharge, the Court shall, or if any such facts are proved as would under this act justify the Court in refusing, qualifying, or suspending the debtor's discharge, the Court may, in its discretion, refuse to approve the composition or scheme.

(7.) If the Court approves the composition or scheme, the approval may be testified by the seal of the Court being attached to the instrument containing the terms of the composition or scheme, or by the terms being embodied in an order of the Court.

(8.) A composition or scheme accepted and approved in pursuance of this section shall be binding on all the creditors so far as relates to any debts due to them from the debtor and provable in bankruptcy

(9.) A certificate of the official receiver that a composition or scheme has been duly accepted and approved shall, in the absence of fraud, be conclusive as to its validity.

(10.) The provisions of a composition or scheme under this section may be enforced by the Court on application by any person interested, and any disobedience of an order of the Court made on the application shall be deemed a contempt of Court.

(11.) If default is made in payment of any instalment due in pursuance of the composition or scheme, or if it appears to the Court, on satisfactory evidence, that the composition or scheme cannot in consequence of legal difficulties, or for any sufficient cause, proceed without injustice or undue delay to the creditors or to the debtor, or that the approval of the Court was obtained by fraud, the Court may, if it thinks fit, on application by any creditor, adjudge the debtor bankrupt, and annul the composition or scheme, but without prejudice to the validity of any sale, disposition, or payment duly made, or thing duly done under or in pursuance of the composition or scheme. Where a debtor is adjudged bankrupt under this sub-section any debt provable in other respects, which has been contracted before the date of the adjudication, shall be provable in the bankruptcy.

(12.) If, under or in pursuance of a composition or scheme, a trustee is appointed to administer the debtor's property or manage his business, Part V. of this Act shall apply to the trustee as if he were a trustee in a bankruptcy, and as if the terms "bankruptcy," "bankrupt," and "order of adjudication" included respectively a composition or scheme of arrangement, a compounding or arranging debtor, and order approving the composition or scheme.

(13.) Part III. of this Act shall, so far as the nature of the case and the terms of the composition or scheme admit, apply thereto, the same interpretation being given to the words "trustee," "bankruptcy," "bankrupt," and "order of adjudication," as in the last preceding sub-section.

(14.) No composition or scheme shall be approved by the Court which does not provide for the payment in priority to other debts of all debts directed to be so paid in the distribution of the property of a bankrupt.

(15.) The acceptance by a creditor of the composition or scheme shall not release any person who under this Act would not be released by an order of discharge if the debtor had been adjudged bankrupt.

Effect of composition or scheme.

19. Notwithstanding the acceptance and approval of a composition or scheme, such composition or scheme shall not be binding on any creditor so far as regards a debt or liability from which, under the provisions of this Act, the debtor would not be discharged by an order of discharge in bankruptcy, unless the creditor assents to the composition or scheme.

Adjudication of Bankruptcy.

20. (1.) Where a receiving order is made against a debtor, then, if the creditors at the first meeting or any adjournment thereof by ordinary resolution resolve that the debtor be adjudged bankrupt, or pass no resolution, or if the creditors do not meet, or if a composition or scheme is not accepted or approved in pursuance of this Act within fourteen days after the conclusion of the examination of the debtor or such further time as the Court may allow, the Court shall adjudge the debtor bankrupt; and thereupon the property of the bankrupt shall become divisible among his creditors and shall vest in a trustee.

Adjudication of bankruptcy where composition not accepted or approved.

(2.) Notice of every order adjudging a debtor bankrupt, stating the name, address, and description of the bankrupt, the date of the adjudication, and the Court by which the adjudication is made, shall be gazetted and advertised in a local paper in the prescribed manner, and the date of the order shall for the purposes of this Act be the date of the adjudication.

21. (1.) Where a debtor is adjudged bankrupt, or the creditors have resolved that he be adjudged bankrupt, the creditors may, by ordinary resolution, appoint some fit person, whether a creditor or not, to fill the office of trustee of the property of the bankrupt; or they may resolve to leave his appointment to the committee of inspection herein-after mentioned.

Appointment of trustee.

(2.) The person so appointed shall give security in manner prescribed to the satisfaction of the Board of Trade, and the Board, if satisfied with the security, shall certify that his appointment has been duly made, unless they object to the appointment on the ground that it has not been made in good faith by a majority in value of the creditors voting, or that the person appointed is not fit to act as trustee, or that his connexion with or relation to the bankrupt or his estate or any particular creditor makes it difficult for him to act with impartiality in the interests of the creditors generally.

(3.) Provided that where the Board make any such objection they shall, if so requested by a majority in value of the creditors, notify the objection to the High Court, and thereupon the High Court may decide on its validity.

(4.) The appointment of a trustee shall take effect as from the date of the certificate.

(5.) The official receiver shall not, save as by this Act provided, be the trustee of the bankrupt's property.

(6.) If a trustee is not appointed by the creditors within four weeks from the date of the adjudication, or, in the event of negotiations for a composition or scheme being pending at the expiration of those four weeks, then within seven days from the close

of those negotiations by the refusal of the creditors to accept, or of the Court to approve, the composition or scheme, the official receiver shall report the matter to the Board of Trade, and thereupon the Board of Trade shall appoint some fit person to be trustee of the bankrupt's property, and shall certify the appointment.

(7.) Provided that the creditors or the committee of inspection (if so authorised by resolution of the creditors) may, at any subsequent time, if they think fit, appoint a trustee, and on the appointment being made and certified the person appointed shall become trustee in the place of the person appointed by the Board of Trade.

(8.) When a debtor is adjudged bankrupt after the first meeting of creditors has been held, and a trustee has not been appointed prior to the adjudication, the official receiver shall forthwith summon a meeting of creditors for the purpose of appointing a trustee.

Committee of inspection

22. (1). The creditors, qualified to vote, may at their first or any subsequent meeting, by resolution, appoint from among the creditors qualified to vote, or the holders of general proxies or general powers of attorney from such creditors, a committee of inspection for the purpose of superintending the administration of the bankrupt's property by the trustee. The committee of inspection shall consist of not more than five nor less than three persons.

(2.) The committee of inspection shall meet at such times as they shall from time to time appoint, and failing such appointment, at least once a month; and the trustee or any member of the committee may also call a meeting of the committee as and when he thinks necessary.

(3.) The committee may act by a majority of their members present at a meeting, but shall not act unless a majority of the committee are present at the meeting.

(4.) Any member of the committee may resign his office by notice in writing signed by him, and delivered to the trustee.

(5.) If a member of the committee becomes bankrupt, or compounds or arranges with his creditors, or is absent from five consecutive meetings of the committee, his office shall thereupon become vacant.

(6.) Any member of the committee may be removed by an ordinary resolution at any meeting of creditors of which seven days notice has been given, stating the object of the meeting.

(7.) On a vacancy occurring in the office of a member of the committee, the trustee shall forthwith summon a meeting of creditors for the purpose of filling the vacancy, and the meeting may, by resolution, appoint another creditor or other person eligible as above to fill the vacancy.

(8.) The continuing members of the committee, provided there be not less than two such continuing members, may act notwithstanding any vacancy in their body; and where the number of members of the committee of inspection is for the time being less than five, the creditors may increase that number so that it do not exceed five.

(9.) If there be no committee of inspection, any act or thing or any direction or permission by this Act authorised or required to be done or given by the committee may be done or given by the Board of Trade on the application of the trustee.

23. (1.) Where a debtor is adjudged bankrupt the creditors may, if they think fit, at any time after the adjudication, by special resolution, resolve to entertain a proposal for a composition in satisfaction of the debts due to them under the bankruptcy, or for a scheme of arrangement of the bankrupt's affairs; and thereupon the same proceeding shall be taken and the same consequences shall ensue as in the case of a composition or scheme accepted before adjudication. **Power to accept composition or scheme after bankruptcy adjudication.**

(2.) If the Court approves the composition or scheme it may make an order annulling the bankruptcy and vesting the property of the bankrupt in him or in such other person as the Court may appoint, on such terms, and subject to such conditions, if any, as the Court may declare.

(3.) If default is made in payment of any instalment due in pursuance of the composition or scheme, or if it appears to the Court that the composition or scheme cannot proceed without injustice or undue delay, or that the approval of the Court was obtained by fraud, the Court may, if it thinks fit, on application by any person interested, adjudge the debtor bankrupt, and annul the composition or scheme, but without prejudice to the validity of any sale, disposition, or payment duly made, or thing duly done, under or in pursuance of the composition or scheme. Where a debtor is adjudged bankrupt under this sub-section, all debts, provable in other respects, which have been contracted before the date of such adjudication shall be provable in the bankruptcy.

Control over Person and Property of Debtor.

24. (1.) Every debtor against whom a receiving order is made shall, unless prevented by sickness or other sufficient cause, attend the first meeting of his creditors, and shall submit to such examination and give such information as the meeting may require. **Duties of debtor as to discovery and realization of property.**

(2.) He shall give such inventory of his property, such list of his creditors and debtors, and of the debts due to and from them respectively, submit to such examination in respect of his property or his creditors, attend such other meetings of his creditors, wait at such times on the official receiver, special manager, or trustee, execute such powers of attorney, conveyances, deeds, and instruments, and generally do all such acts and things in relation to his property and the distribution of the proceeds amongst his creditors, as may be reasonably required by the official receiver, special manager, or trustee, or may be prescribed by general rules, or be directed by the Court by any special order or orders made in reference to any

particular case, or made on the occasion of any special application by the official receiver, special manager, trustee, or any creditor or person interested.

(3.) He shall, if adjudged bankrupt, aid, to the utmost of his power, in the realisation of his property and the distribution of the proceeds among his creditors.

(4.) If a debtor wilfully fails to perform the duties imposed on him by this section, or to deliver up possession of any part of his property, which is divisible amongst his creditors under this Act, and which is for the time being in his possession or under his control, to the official receiver or to the trustee, or to any person authorised by the Court to take possession of it, he shall, in addition to any other punishment to which he may be subject, be guilty of a contempt of court, and may be punished accordingly.

Arrest of debtor under certain circumstances.

25. (1.) The Court may, by warrant addressed to any constable or prescribed officer of the Court, cause a debtor to be arrested, and any books, papers, money, and goods in his possession to be seized, and him and them to be safely kept as prescribed until such time as the Court may order under the following circumstances:

(*a.*) If after a bankruptcy notice has been issued under this Act, or after presentation of a bankruptcy petition by or against him, it appears to the Court that there is probable reason for believing that he is about to abscond with a view of avoiding payment of the debt in respect of which the bankruptcy notice was issued, or of avoiding service of a bankruptcy petition, or of avoiding appearance to any such petition, or of avoiding examination in respect of his affairs, or of otherwise avoiding, delaying, or embarrassing proceedings in bankruptcy against him.

(*b.*) If, after presentation of a bankruptcy petition by or against him, it appears to the Court that there is probable cause for believing that he is about to remove his goods with a view of preventing or delaying possession being taken of them by the official receiver or trustee, or that there is probable ground for believing that he has concealed or is about to conceal or destroy any of his goods, or any books, documents, or writings, which might be of use to his creditors in the course of his bankruptcy.

(*c.*) If, after service of a bankruptcy petition on him, or after a receiving order is made against him, he removes any goods in his possession above the value of five pounds, without the leave of the official receiver or trustee.

(*d.*) If, without good cause shown, he fails to attend any examination ordered by the Court.

Provided that no arrest upon a bankruptcy notice shall be valid and protected unless the debtor before or at the time of his arrest shall be served with such bankruptcy notice.

(2.) No payment or composition made or security given after

arrest made under this section shall be exempt from the provisions of this Act relating to fraudulent preferences.

26. Where a receiving order is made against a debtor, the Court, on the application of the official receiver or trustee, may from time to time order that for such time, not exceeding three months, as the Court thinks fit, post letters addressed to the debtor at any place, or places, mentioned in the order for re-direction shall be re-directed, sent or delivered by the Postmaster-General, or the officers acting under him, to the official receiver, or the trustee, or otherwise as the Court directs, and the same shall be done accordingly. Re-direction of debtor's letters.

27. (1.) The Court may, on the application of the official receiver or trustee, at any time after a receiving order has been made against a debtor, summon before it the debtor or his wife, or any person known or suspected to have in his possession any of the estate or effects belonging to the debtor, or supposed to be indebted to the debtor, or any person whom the Court may deem capable of giving information respecting the debtor, his dealings or property, and the Court may require any such person to produce any documents in his custody or power relating to the debtor, his dealings or property. Discovery of debtor's property.

(2.) If any person so summoned, after having been tendered a reasonable sum, refuses to come before the Court at the time appointed, or refuses to produce any such document, having no lawful impediment made known to the Court at the time of its sitting and allowed by it, the Court may, by warrant, cause him to be apprehended and brought up for examination.

(3.) The Court may examine on oath, either by word of mouth or by written interrogatories, any person so brought before it concerning the debtor, his dealings or property.

(4.) If any person on examination before the Court admits that he is indebted to the debtor, the Court may, on the application of the official receiver or trustee, order him to pay to the receiver or trustee, at such time and in such manner as to the Court seems expedient, the amount admitted, or any part thereof, either in full discharge of the whole amount in question or not, as the Court thinks fit, with or without costs of the examination.

(5.) If any person on examination before the Court admits that he has in his possession any property belonging to the debtor, the Court may, on the application of the official receiver or trustee, order him to deliver to the official receiver or trustee such property, or any part thereof, at such time, and in such manner, and on such terms as to the Court may seem just.

(6.) The Court may, if it think fit, order that any person who if in England would be liable to be brought before it under this section shall be examined in Scotland or Ireland, or in any other place out of England.

Discharge of Bankrupt.

Discharge of bankrupt.

28. (1.) A bankrupt may, at any time after being adjudged bankrupt, apply to the Court for an order of discharge, and the Court shall appoint a day for hearing the application, but the application shall not be heard until the public examination of the bankrupt is concluded. The application shall be heard in open Court.

(2.) On the hearing of the application the Court shall take into consideration a report of the official receiver as to the bankrupt's conduct and affairs, and may either grant or refuse an absolute order of discharge, or suspend the operation of the order for a specified time, or grant an order of discharge subject to any conditions with respect to any earnings or income which may afterwards become due to the bankrupt, or with respect to his after-acquired property: Provided that the Court shall refuse the discharge in all cases where the bankrupt has committed any misdemeanor under this Act, or Part II. of the Debtors Act, 1869, or any amendment thereof, and shall, on proof of any of the facts herein-after mentioned, either refuse the order, or suspend the operation of the order for a specified time, or grant an order of discharge, subject to such conditions as aforesaid.

(3.) The facts herein-before referred to are—

(*a.*) That the bankrupt has omitted to keep such books of account as are usual and proper in the business carried on by him and as sufficiently disclose his business transactions and financial position within the three years immediately preceding his bankruptcy:

(*b.*) That the bankrupt has continued to trade after knowing himself to be insolvent:

(*c.*) That the bankrupt has contracted any debt provable in the bankruptcy, without having at the time of contracting it any reasonable or probable ground of expectation (proof whereof shall lie on him) of being able to pay it:

(*d.*) That the bankrupt has brought on his bankruptcy by rash and hazardous speculations or unjustifiable extravagance in living:

(*e.*) That the bankrupt has put any of his creditors to unnecessary expense by a frivolous or vexatious defence to any action properly brought against him:

(*f.*) That the bankrupt has within three months preceding the date of the receiving order, when unable to pay his debts as they become due, given an undue preference to any of his creditors:

(*g.*) That the bankrupt has on any previous occasion been adjudged bankrupt, or made a statutory composition or arrangement with his creditors:

(*h.*) That the bankrupt has been guilty of any fraud or fraudulent breach of trust.

(4.) For the purposes of this section the report of the official receiver shall be primâ facie evidence of the statements therein contained.

(5.) Notice of the appointment by the Court of the day for hearing the application for discharge shall be published in the prescribed manner and sent fourteen days at least before the day so appointed to each creditor who has proved, and the Court may hear the official receiver and the trustee, and may also hear any creditor. At the hearing the Court may put such questions to the debtor and receive such evidence as it may think fit.

(6.) The Court may, as one of the conditions referred to in this section, require the bankrupt to consent to judgment being entered against him by the official receiver or trustee for any balance of the debts provable under the bankruptcy which is not satisfied at the date of his discharge; but in such case execution shall not be issued on the judgment without leave of the Court, which leave may be given on proof that the bankrupt has since his discharge acquired property or income available for payment of his debts.

(7.) A discharged bankrupt shall, notwithstanding his discharge, give such assistance as the trustee may require in the realization and distribution of such of his property as is vested in the trustee, and if he fails to do so he shall be guilty of a contempt of Court; and the Court may also, if it think fit, revoke his discharge, but without prejudice to the validity of any sale, disposition, or payment duly made or thing duly done subsequent to the discharge, but before its revocation.

Fraudulent settlements

29. In either of the following cases; that is to say,

(1.) In the case of a settlement made before and in consideration of marriage where the settlor is not at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement; or

(2.) In the case of any covenant or contract made in consideration of marriage for the future settlement on or for the settlor's wife or children of any money or property wherein he had not at the date of his marriage any estate or interest (not being money or property of or in right of his wife);

If the settlor is adjudged bankrupt or compounds or arranges with his creditors, and it appears to the Court that such settlement, covenant, or contract was made in order to defeat or delay creditors, or was unjustifiable having regard to the state of the settlor's affairs at the time when it was made, the Court may refuse or suspend an order of discharge, or grant an order subject to conditions, or refuse to approve a composition or arrangement, as the case may be, in like manner as in cases where the debtor has been guilty of fraud.

Effect of order of discharge.

30. (1.) An order of discharge shall not release the bankrupt from any debt on a recognizance nor from any debt with which the bankrupt may be chargeable at the suit of the Crown or of any person for any offence against a statute relating to any branch of the public revenue, or at the suit of the sheriff or other public officer on a bail bond entered into for the appearance of any person prosecuted for any such offence: and he shall not be discharged from such excepted debts unless the Treasury certify in writing their consent to his being discharged therefrom. An order of discharge shall not release the bankrupt from any debt or liability incurred by means of any fraud or fraudulent breach of trust to which he was a party, nor from any debt or liability whereof he has obtained forbearance by any fraud to which he was a party.

(2.) An order of discharge shall release the bankrupt from all other debts provable in bankruptcy.

(3.) An order of discharge shall be conclusive evidence of the bankruptcy, and of the validity of the proceedings therein, and in any proceedings that may be instituted against a bankrupt who has obtained an order of discharge in respect of any debt from which he is released by the order, the bankrupt may plead that the cause of action occurred before his discharge, and may give this Act and the special matter in evidence.

(4.) An order of discharge shall not release any person who at the date of the receiving order was a partner or co-trustee with the bankrupt or was jointly bound or had made any joint contract with him, or any person who was surety or in the nature of a surety for him.

Undischarged bankrupt obtaining credit to extent of £20 to be guilty of misdemeanor.

31. Where an undischarged bankrupt who has been adjudged bankrupt under this Act obtains credit to the extent of twenty pounds or upwards from any person without informing such person that he is an undischarged bankrupt, he shall be guilty of a misdemeanor, and may be dealt with and punished as if he had been guilty of a misdemeanor under the Debtors Act, 1869, and the provisions of that Act shall apply to proceedings under this section.

PART II.

Disqualifications of Bankrupt.

Disqualification of bankrupt.

32. (1.) Where a debtor is adjudged bankrupt he shall, subject to the provisions of this Act, be disqualified for—

(*a.*) Sitting or voting in the House of Lords, or on any committee thereof, or being elected as a peer of Scotland or Ireland to sit and vote in the House of Lords;

(*b.*) Being elected to, or sitting or voting in, the House of Commons, or on any committee thereof;

(*c.*) Being appointed or acting as a justice of the peace;

(*d.*) Being elected to or holding or exercising the office of mayor, alderman, or councillor;

(*e.*) Being elected to or holding or exercising the office of guardian of the poor, overseer of the poor, member of a sanitary authority, or member of a school board, highway board, burial board, or select vestry.

(2.) The disqualifications to which a bankrupt is subject under this section shall be removed and cease if and when,—

(*a.*) the adjudication of bankruptcy against him is annulled; or

(*b.*) he obtains from the Court his discharge with a certificate to the effect that his bankruptcy was caused by misfortune without any misconduct on his part.

The Court may grant or withhold such certificate as it thinks fit, but any refusal of such certificate shall be subject to appeal.

(3.) The disqualifications imposed by this section shall extend to all parts of the United Kingdom.

33. (1.) If a member of the House of Commons is adjudged bankrupt, and the disqualifications arising therefrom under this Act, are not removed within six months from the date of the order, the Court shall, immediately after the expiration of that time, certify the same to the Speaker of the House of Commons, and thereupon the seat of the member shall be vacant. Vacating of seat in House of Commons.

(2.) Where the seat of a member so becomes vacant, the Speaker, during a recess of the House, whether by prorogation or by adjournment, shall forthwith, after receiving the certificate, cause notice thereof to be published in the London Gazette; and after the expiration of six days after the publication shall (unless the House has met before that day, or will meet on the day of the issue), issue his warrant to the clerk of the Crown to make out a new writ for electing another member in the room of the member whose seat has so become vacant.

(3.) The powers of the Act of the twenty-fourth year of the reign of King George the Third, chapter twenty-six, "to repeal so much "of two Acts made in the tenth and fifteenth years of the reign of "His present Majesty as authorises the Speaker of the House of "Commons to issue his warrant to the clerk of the Crown for "making out writs for the election of members to serve in Parliament "in the manner therein mentioned; and for substituting other "provisions for the like purposes," so far as those powers enable the Speaker to nominate and appoint other persons, being members of the House of Commons, to issue warrants for the making out of new writs during the vacancy of the office of Speaker or during his absence out of the realm, shall extend to enable him to make the

like nomination and appointment for issuing warrants, under the like circumstances and conditions, for the election of a member in the room of any member whose seat becomes vacant under this Act.

Vacating of municipal and other offices.

34. If a person is adjudged bankrupt whilst holding the office of mayor, alderman, councillor, guardian, overseer, or member of a sanitary authority, school board, highway board, burial board, or select vestry, his office shall thereupon become vacant.

Power for court to annul adjudication in certain cases.

35. (1.) Where in the opinion of the Court a debtor ought not to have been adjudged bankrupt, or where it is proved to the satisfaction of the Court that the debts of the bankrupt are paid in full, the Court may, on the application of any person interested, by order, annul the adjudication.

(2.) Where an adjudication is annulled under this section, all sales and dispositions of property and payments duly made, and all acts theretofore done, by the official receiver, trustee, or other person acting under their authority, or by the Court, shall be valid, but the property of the debtor who was adjudged bankrupt shall vest in such person as the Court may appoint, or in default of any such appointment revert to the debtor for all his estate or interest therein on such terms, and subject to such conditions, if any, as the Court may declare by order.

(3.) Notice of the order annulling an adjudication shall be forthwith gazetted and published in a local paper.

Meaning of payment of debts in full.

36. For the purposes of this Part of this Act, any debt disputed by a debtor shall be considered as paid in full, if the debtor enters into a bond, in such sum and with such securities as the Court approves, to pay the amount to be recovered in any proceeding for the recovery of or concerning the debt, with costs, and any debt due to a creditor who cannot be found or cannot be identified shall be considered as paid in full if paid into Court.

PART III.

Administration of Property.

Proof of Debts.

Description of debts provable in bankruptcy.

37. (1.) Demands in the nature of unliquidated damages arising otherwise than by reason of a contract, promise, or breach of trust, shall not be provable in bankruptcy.

(2.) A person having notice of any act of bankruptcy available against the debtor shall not prove under the order for any debt or

liability contracted by the debtor subsequently to the date of his so having notice.

(3.) Save as aforesaid, all debts and liabilities, present or future, certain or contingent, to which the debtor is subject at the date of the receiving order, or to which he may become subject before his discharge by reason of any obligation incurred before the date of the receiving order, shall be deemed to be debts provable in bankruptcy.

(4.) An estimate shall be made by the trustee of the value of any debt or liability provable as aforesaid, which by reason of its being subject to any contingency or contingencies, or for any other reason, does not bear a certain value.

(5.) Any person aggrieved by any estimate made by the trustee as aforesaid may appeal to the Court.

(6.) If, in the opinion of the Court, the value of the debt or liability is capable of being fairly estimated, the Court may make an order to that effect, and thereupon the debt or liability shall, for the purposes of this Act, be deemed to be a debt not provable in bankruptcy.

(7.) If, in the opinion of the Court, the value of the debt or liability is capable of being fairly estimated, the Court may direct the value to be assessed, before the Court itself without the intervention of a jury, and may give all necessary directions for this purpose, and the amount of the value when assessed shall be deemed to be a debt provable in bankruptcy.

(8.) "Liability" shall for the purposes of this Act include any compensation for work or labour done, any obligation or possibility of an obligation to pay money or money's worth on the breach of any express or implied covenant, contract, agreement, or undertaking, whether the breach does or does not occur, or is or is not likely to occur or capable of occurring before the discharge of the debtor, and generally it shall include any express or implied engagement, agreement, or undertaking, to pay, or capable of resulting in the payment of money, or money's worth, whether the payment is, as respects amount fixed or unliquidated; as respects time, present or future, certain or dependent on any one contingency or on two or more contingencies; as to mode of valuation capable of being ascertained by fixed rules, or as matter of opinion.

38. Where there have been mutual credits, mutual debts, or other mutual dealings between a debtor against whom a receiving order shall be made under this Act, and any other person proving or claiming to prove a debt under such receiving order, an account shall be taken of what is due from the one party to the other in respect of such mutual dealing, and the sum due from the one party shall be set off against any sum due from the other party, and the balance of the account, and no more, shall be claimed or paid on either side respectively; but a person shall not be entitled under this section to

Mutual credit and set-off.

claim the benefit of any set-off against the property of a debtor in any case where he had at the time of giving credit to the debtor, notice of an act of bankruptcy committed by the debtor, and available against him.

Rules as to proof of debts.

39. With respect to the mode of proving debts, the right of proof by secured and other creditors, the admission and rejection of proofs, and the other matters referred to in the Second Schedule, the rules in that schedule shall be observed.

Priority of debts.

40. (1.) In the distribution of the property of a bankrupt there shall be paid in priority to all other debts,—

(*a.*) All parochial or other local rates due from the bankrupt at the date of the receiving order, and having become due and payable within twelve months next before such time, and all assessed taxes, land tax, property or income tax, assessed on him up to the fifth day of April next before the date of the receiving order, and not exceeding in the whole one year's assessment;

(*b.*) All wages or salary of any clerk or servant in respect of services rendered to the bankrupt during four months before the date of the receiving order, not exceeding fifty pounds; and

(*c.*) All wages of any labourer or workman, not exceeding fifty pounds, whether payable for time or piece-work, in respect of services rendered to the bankrupt during four months before the date of the receiving order.

(2.) The foregoing debts shall rank equally between themselves, and shall be paid in full, unless the property of the bankrupt is insufficient to meet them, in which case they shall abate in equal proportions between themselves.

(3.) In the case of partners the joint estate shall be applicable in the first instance in payment of their joint debts, and the separate estate of each partner shall be applicable in the first instance in payment of his separate debts. If there is a surplus of the separate estates it shall be dealt with as part of the joint estate. If there is a surplus of the joint estate it shall be dealt with as part of the respective separate estates in proportion to the right and interest of each partner in the joint estate.

(4.) Subject to the provisions of this Act all debts proved in the bankruptcy shall be paid pari passu.

(5.) If there is any surplus after payment of the foregoing debts, it shall be applied in payment of interest from the date of the receiving order at the rate of four pounds per centum per annum on all debts proved in the bankruptcy.

(6.) Nothing in this section shall alter the effect of section five of the Act twenty-eight and twenty-nine Victoria, chapter eighty-six, "to amend the Law of Partnership," or shall prejudice the provisions of the Friendly Societies Act, 1875.

38 & 39 Vict. c. 60.

41. (1.) Where at the time of the presentation of the bankruptcy petition any person is apprenticed or is an articled clerk to the bankrupt, the adjudication of bankruptcy shall, if either the bankrupt or apprentice or clerk gives notice in writing to the trustee to that effect, be a complete discharge of the indenture of apprenticeship or articles of agreement; and if any money has been paid by or on behalf of the apprentice or clerk to the bankrupt as a fee, the trustee may, on the application of the apprentice or clerk, or of some person on his behalf, pay such sum as the trustee, subject to an appeal to the Court, thinks reasonable, out of the bankrupt's property, to or for the use of the apprentice or clerk, regard being had to the amount paid by him or on his behalf, and to the time during which he served with the bankrupt under the indenture or articles before the commencement of the bankruptcy, and to the other circumstances of the case. **Preferential claim in case of apprenticeship.**

(2.) Where it appears expedient to a trustee, he may, on the application of any apprentice or articled clerk to the bankrupt, or any person acting on behalf of such apprentice or articled clerk, instead of acting under the preceding provisions of this section, transfer the indenture of apprenticeship or articles of agreement to some other person.

42. (1.) The landlord or other person to whom any rent is due from the bankrupt may at any time, either before or after the commencement of the bankruptcy, distrain upon the goods or effects of the bankrupt for the rent due to him from the bankrupt, with this limitation, that if such distress for rent be levied after the commencement of the bankruptcy it shall be available only for one year's rent accrued due prior to the date of the order of adjudication, but the landlord or other person to whom the rent may be due from the bankrupt may prove under the bankruptcy for the surplus due for which the distress may not have been available. **Power to landlord to distrain for rent.**

(2.) For the purposes of this section the term "order of adjudication" shall be deemed to include an order for the administration of the estate of a debtor whose debts do not exceed fifty pounds, or of a deceased person who dies insolvent.

Property available for Payment of Debts.

43. The bankruptcy of a debtor, whether the same takes place on the debtor's own petition or upon that of a creditor or creditors, shall be deemed to have relation back to, and to commence at, the time of the act of bankruptcy being committed on which a receiving order is made against him, or, if the bankrupt is proved to have committed more acts of bankruptcy than one, to have relation back to, and to commence at, the time of the first of the acts of bankruptcy proved to have been committed by the bankrupt within three months next preceding the date of the presentation of the bankruptcy petition; but no bankruptcy petition, receiving order, or adjudication shall be **Relation back of trustee's title.**

rendered invalid by reason of any act of bankruptcy anterior to the debt of the petitioning creditor.

Description of bankrupt's property divisible amongst creditors.

44. The property of the bankrupt divisible amongst his creditors, and in this Act referred to as the property of the bankrupt, shall not comprise the following particulars:

(1.) Property held by the bankrupt on trust for any other person:

(2.) The tools (if any) of his trade and the necessary wearing apparel and bedding of himself, his wife and children, to a value, inclusive of tools and apparel and bedding, not exceeding twenty pounds in the whole:

But it shall comprise the following particulars:

(i.) All such property as may belong to or be vested in the bankrupt at the commencement of the bankruptcy, or may be acquired by or devolve on him before his discharge; and,

(ii.) The capacity to exercise and to take proceedings for exercising all such powers in or over or in respect of property as might have been exercised by the bankrupt for his own benefit at the commencement of his bankruptcy or before his discharge, except the right of nomination to a vacant ecclesiastical benefice; and,

(iii.) All goods being, at the commencement of the bankruptcy, in the possession, order or disposition of the bankrupt, in his trade or business, by the consent and permission of the true owner, under such circumstances that he is the reputed owner thereof; provided that things in action other than debts due or growing due to the bankrupt in the course of his trade or business, shall not be deemed goods within the meaning of this section.

Effect of Bankruptcy on antecedent Transactions.

Restriction of rights of creditor under execution or attachment.

45. (1.) Where a creditor has issued execution against the goods or lands of a debtor, or has attached any debt due to him, he shall not be entitled to retain the benefit of the execution or attachment against the trustee in bankruptcy of the debtor, unless he has completed the execution or attachment before the date of the receiving order, and before notice of the presentation of any bankruptcy petition by or against the debtor, or of the commission of any available act of bankruptcy by the debtor.

(2.) For the purposes of this Act, an execution against goods is completed by seizure and sale; an attachment of a debt is completed by receipt of the debt; and an execution against land is completed by seizure, or, in the case of an equitable interest, by the appointment of a receiver.

Duties of sheriff as to goods taken in execution.

46. (1.) Where the goods of a debtor are taken in execution, and before the sale thereof notice is served on a sheriff that a receiving order has been made against the debtor, the sheriff shall, on request, deliver the goods to the official receiver or trustee under the order,

but the costs of the execution shall be a charge on the goods so delivered, and the official receiver or trustee may sell the goods or an adequate part thereof for the purpose of satisfying the charge.

(2.) Where the goods of a debtor are sold under an execution in respect of a judgment for a sum exceeding twenty pounds, the sheriff shall deduct the costs of the execution from the proceeds of sale, and retain the balance for fourteen days, and if within that time notice is served on him of a bankruptcy petition having been presented against or by the debtor, and the debtor is adjudged bankrupt thereon or on any other petition of which the sheriff has notice, the sheriff shall pay the balance to the trustee in the bankruptcy, who shall be entitled to retain the same as against the execution creditor, but otherwise he shall deal with it as if no notice of the presentation of a bankruptcy petition had been served on him.

(3.) An execution levied by seizure and sale on the goods of a debtor is not invalid by reason only of its being an act of bankruptcy, and a person who purchases the goods in good faith under a sale by the sheriff shall in all cases acquire a good title to them against the trustee in bankruptcy.

Avoidance of voluntary settlements.

47. (1.) Any settlement of property not being a settlement made before and in consideration of marriage, or made in favour of a purchaser or incumbrancer in good faith and for valuable consideration, or a settlement made on or for the wife or children of the settlor of property which has accrued to the settlor after marriage in right of his wife, shall, if the settlor becomes bankrupt within two years after the date of the settlement, be void against the trustee in the bankruptcy, and shall, if the settlor becomes bankrupt at any subsequent time within ten years after the date of the settlement, be void against the trustee in the bankruptcy, unless the parties claiming under the settlement can prove that the settlor was at the time of making the settlement able to pay all his debts without the aid of the property comprised in the settlement, and that the interest of the settlor in such property had passed to the trustee of such settlement on the execution thereof.

(2.) Any covenant or contract made in consideration of marriage, for the future settlement on or for the settlor's wife or children of any money or property wherein he had not at the date of his marriage any estate or interest, whether vested or contingent in possession or remainder, and not being money or property of or in right of his wife, shall, on his becoming bankrupt before the property or money has been actually transferred or paid pursuant to the contract or covenant, be void against the trustee in the bankruptcy.

(3.) "Settlement" shall for the purposes of this section include any conveyance or transfer of property.

Avoidance of preferences in certain cases.

48. (1.) Every conveyance or transfer of property, or charge thereon made, every payment made, every obligation incurred, and

every judicial proceeding taken or suffered by any person unable to pay his debts as they become due from his own money in favour of any creditor, or any person in trust for any creditor, with a view of giving such creditor a preference over the other creditors shall, if the person making, taking, paying, or suffering the same is adjudged bankrupt on a bankruptcy petition presented within three months after the date of making, taking, paying, or suffering the same, be deemed fraudulent and void as against the trustee in the bankruptcy.

(2.) This section shall not affect the rights of any person making title in good faith and for valuable consideration through or under a creditor of the bankrupt.

Protection of bonâ fide transactions without notice.

49. Subject to the foregoing provisions of this Act with respect to the effect of bankruptcy on an execution or attachment, and with respect to the avoidance of certain settlements and preferences, nothing in this Act shall invalidate, in the case of a bankruptcy—

(a.) Any payment by the bankrupt to any of his creditors,

(b.) Any payment or delivery to the bankrupt,

(c.) Any conveyance or assignment by the bankrupt for valuable consideration,

(d.) Any contract, dealing or transaction by or with the bankrupt for valuable consideration,

Provided that both the following conditions are complied with, namely—

(1.) The payment delivery, conveyance, assignment, contract, dealing, or transaction, as the case may be, takes place before the date of the receiving order; and

(2.) The person (other than the debtor) to, by, or with whom the payment, delivery, conveyance, assignment, contract, dealing, or transaction was made, executed or entered into, has not at the time of the payment, delivery, conveyance, assignment, contract, dealing, or transaction, notice of any available act of bankruptcy committed by the bankrupt before that time.

Realization of Property.

Possession of property by trustee.

50. (1.) The trustee shall, as soon as may be, take possession of the deeds, books, and documents of the bankrupt, and all other parts of his property capable of manual delivery.

(2.) The trustee shall, in relation to and for the purpose of acquiring or retaining possession of the property of the bankrupt, be in the same position as if he were a receiver of the property appointed by the High Court, and the Court may on his application, enforce such acquisition or retention accordingly.

(3.) Where any part of the property of the bankrupt consists of stock, shares in ships, shares, or any other property transferable in the books of any company, office, or person, the trustee may exercise

the right to transfer the property to the same extent as the bankrupt might have exercised it if he had not become bankrupt.

(4.) Where any part of the property of the bankrupt is of copyhold or customary tenure, or is any like property passing by surrender and admittance or in any similar manner, the trustee shall not be compellable to be admitted to the property, but may deal with it in the same manner as if it had been capable of being and had been duly surrendered or otherwise conveyed to such uses as the trustee may appoint; and any appointee of the trustee shall be admitted to or otherwise invested with the property accordingly.

(5.) Where any part of the property of the bankrupt consists of things in action, such things shall be deemed to have been duly assigned to the trustee.

(6.) Any treasurer or other officer, or any banker, attorney, or agent of a bankrupt, shall pay and deliver to the trustee all money and securities in his possession or power, as such officer, banker, attorney, or agent, which he is not by law entitled to retain as against the bankrupt or the trustee. If he does not he shall be guilty of a contempt of Court, and may be punished accordingly on the application of the trustee.

51. Any person acting under warrant of the Court may seize any part of the property of a bankrupt in the custody or possession of the bankrupt, or of any other person, and with a view to such seizure may break open any house, building, or room of the bankrupt where the bankrupt is supposed to be, or any building or receptacle of the bankrupt where any of his property is supposed to be; and where the Court is satisfied that there is reason to believe that property of the bankrupt is concealed in a house or place not belonging to him, the Court may, if it thinks fit, grant a search warrant to any constable or officer of the Court, who may execute it according to its tenor. **Seizure of property of bankrupt.**

52. (1.) Where a bankrupt is a beneficed clergyman, the trustee may apply for a sequestration of the profits of the benefice, and the certificate of the appointment of the trustee shall be sufficient authority for the granting of sequestration without any writ or other proceedings, and the same shall accordingly be issued as on a writ of levari facias founded on a judgment against the bankrupt, and shall have priority over any other sequestration issued after the commencement of the bankruptcy in respect of a debt provable in the bankruptcy, except a sequestration issued before the date of the receiving order by or on behalf of a person who at the time of the issue thereof had not notice of an act of bankruptcy committed by the bankrupt, and available for grounding a receiving order against him. **Sequestration of ecclesiastical benefice.**

(2.) The bishop of the diocese in which the benefice is situate may, if he thinks fit, appoint to the bankrupt such or the like stipend as he might by law have appointed to a curate duly licensed

to serve the benefice in case the bankrupt had been non-resident, and the sequestrator shall pay the sum so appointed out of the profits of the benefice to the bankrupt, by quarterly instalments while he performs the duties of the benefice.

(3.) The sequestrator shall also pay out of the profits of the benefice the salary payable to any duly licensed curate of the church of the benefice in respect of duties performed by him as such during four months before the date of the receiving order not exceeding fifty pounds.

34 & 35 Vict. c. 43. 34 & 35 Vict. c. 45. (4.) Nothing in this section shall prejudice the operation of the Ecclesiastical Dilapidations Act, 1871, or the Sequestration Act, 1871, or any mortgage or charge duly created under any Act of Parliament before the commencement of the bankruptcy on the profits of the benefice.

Appropriation of portion of pay or salary to creditors.

53. (1.) Where a bankrupt is an officer of the army or navy, or an officer or clerk or otherwise employed or engaged in the civil service of the Crown, the trustee shall receive for distribution amongst the creditors so much of the bankrupt's pay or salary as the Court, on the application of the trustee, with the consent of the chief officer of the department under which the pay or salary is enjoyed, may direct. Before making any order under this sub-section the Court shall communicate with the chief officer of the department as to the amount, time, and manner of the payment to the trustee, and shall obtain the written consent of the chief officer to the terms of such payment.

(2.) Where a bankrupt is in the receipt of a salary or income other than as aforesaid, or is entitled to any half-pay, or pension, or to any compensation granted by the Treasury, the Court, on the application of the trustee, shall from time to time make such order as it thinks just for the payment of the salary, income, half pay, pension, or compensation, or of any part thereof, to the trustee to be applied by him in such manner as the Court may direct.

(3.) Nothing in this section shall take away or abridge any power of the chief officer of any public department to dismiss a bankrupt or to declare the pension, half pay, or compensation of any bankrupt to be forfeited.

Vesting and transfer of property.

54. (1.) Until a trustee is appointed the official receiver shall be the trustee for the purposes of this Act, and immediately on a debtor being adjudged bankrupt, the property of the bankrupt shall vest in the trustee.

(2.) On the appointment of a trustee the property shall forthwith pass to and vest in the trustee appointed.

(3.) The property of the bankrupt shall pass from trustee to trustee, including under that term the official receiver when he fills the office of trustee, and shall vest in the trustee for the time being

during his continuance in office, without any conveyance, assignment, or transfer whatever.

(4.) The certificate of appointment of a trustee shall, for all purposes of any law in force in any part of the British dominions requiring registration, enrolment or recording of conveyances or assignments of property, be deemed to be a conveyance or assignment of property, and may be registered, enrolled, and recorded accordingly.

55. (1.) Where any part of the property of the bankrupt consists of land of any tenure burdened with onerous covenants, of shares or stock in companies, of unprofitable contracts, or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the trustee, notwithstanding that he has endeavoured to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, but subject to the provisions of this section may, by writing signed by him, at any time within three months after the first appointment of a trustee, disclaim the property. Disclaimer of onerous property.

Provided that where any such property shall not have come to the knowledge of the trustee within one month after such appointment, he may disclaim such property at any time within two months after he first became aware thereof.

(2.) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interests, and liabilities of the bankrupt and his property in or in respect of the property disclaimed, and shall also discharge the trustee from all personal liability in respect of the property disclaimed as from the date when the property vested in him, but shall not, except so far as is necessary for the purpose of releasing the bankrupt and his property and the trustee from liability, affect the rights or liabilities of any other person.

(3.) A trustee shall not be entitled to disclaim a lease without the leave of the Court, except in any cases which may be prescribed by general rules, and the Court may, before or on granting such leave, require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such orders with respect to fixtures, tenant's improvements, and other matters arising out of the tenancy as the Court thinks just.

(4.) The trustee shall not be entitled to disclaim any property in pursuance of this section in any case where an application in writing has been made to the trustee by any person interested in the property requiring him to decide whether he will disclaim or not, and the trustee has for a period of twenty-eight days after the receipt of the application, or such extended period as may be allowed by the Court, declined or neglected to give notice whether he disclaims the property or not; and, in the case of a contract, if the trustee, after such application as aforesaid, does not within the said

period or extended period disclaim the contract, he shall be deemed to have adopted it.

(5.) The Court may, on the application of any person who is, as against the trustee, entitled to the benefit or subject to the burden of a contract made with the bankrupt, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise, as to the Court may seem equitable, and any damages payable under the order to any such person may be proved by him as a debt under the bankruptcy.

(6.) The Court may, on application by any person either claiming any interest in any disclaimed property, or under any liability not discharged by this Act in respect of any disclaimed property, and on hearing such persons as it thinks fit, make an order for the vesting of the property in or delivery thereof to any person entitled thereto, or to whom it may seem just that the same should be delivered by way of compensation for such liability as aforesaid, or a trustee for him, and on such terms as the Court thinks just; and on any such vesting order being made, the property comprised therein shall vest accordingly in the person therein named in that behalf without any conveyance or assignment for the purpose.

Provided always, that where the property disclaimed is of a leasehold nature, the Court shall not make a vesting order in favour of any person claiming under the bankrupt, whether as under-lessee or as mortgagee by demise except upon the terms of making such person subject to the same liabilities and obligations as the bankrupt was subject to under the lease in respect of the property at the date when the bankruptcy petition was filed, and any mortgagee or under-lessee declining to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property, and if there shall be no person claiming under the bankrupt who is willing to accept an order upon such terms, the Court shall have power to vest the bankrupt's estate and interest in the property in any person liable either personally or in a representative character, and either alone or jointly with the bankrupt to perform the lessee's covenants in such lease, freed and discharged from all estates, incumbrances, and interests created therein by the bankrupt.

(7.) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the bankrupt to the extent of the injury, and may accordingly prove the same as a debt under the bankruptcy.

Powers of trustee to deal with property.

56. Subject to the provisions of this Act, the trustee may do all or any of the following things:

(1.) Sell all or any part of the property of the bankrupt (including the goodwill of the business, if any, and the book debts due or

growing due to the bankrupt), by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels:

(2.) Give receipts for any money received by him, which receipts shall effectually discharge the person paying the money from all responsibility in respect of the application thereof:

(3.) Prove, rank, claim, and draw a dividend in respect of any debt due to the bankrupt:

(4.) Exercise any powers the capacity to exercise which is vested in the trustee under this Act, and execute any powers of attorney, deeds and other instruments for the purpose of carrying into effect the provisions of this Act:

(5.) Deal with any property to which the bankrupt is beneficially entitled as tenant in tail in the same manner as the bankrupt might have dealt with it; and sections fifty-six to seventy-three (both inclusive) of the Act of the session of the third and fourth years of the reign of King William the Fourth (chapter seventy-four), "for the abolition of fines and recoveries, "and for the substitution of more simple modes of assurance," shall extend and apply to proceedings under this Act, as if those sections were re-enacted and made applicable in terms to those proceedings.

Powers exercisable by trustee with permission of committee of inspection.

57. The trustee may, with the permission of the committee of inspection, do all or any of the following things:

(1.) Carry on the business of the bankrupt, so far as may be necessary for the beneficial winding up of the same:

(2.) Bring, institute, or defend any action or other legal proceeding relating to the property of the bankrupt:

(3.) Employ a solicitor or other agent to take any proceedings or do any business which may be sanctioned by the committee of inspection:

(4.) Accept as the consideration for the sale of any property of the bankrupt a sum of money payable at a future time subject to such stipulations as to security and otherwise as the committee think fit:

(5.) Mortgage or pledge any part of the property of the bankrupt for the purpose of raising money for the payment of his debts:

(6.) Refer any dispute to arbitration, compromise all debts, claims, and liabilities, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt, on the receipt of such sums, payable at such times, and generally on such terms as may be agreed on:

(7.) Make such compromise or other arrangement as may be thought expedient with creditors, or persons claiming to be creditors, in respect of any debts provable under the bankruptcy:

(8.) Make such compromise or other arrangement as may be thought expedient with respect to any claim arising out of or incidental to the property of the bankrupt, made or capable of being made on the trustee by any person or by the trustee on any person :

(9.) Divide in its existing form amongst the creditors, according to its estimated value, any property which from its peculiar nature or other special circumstances cannot be readily or advantageously sold.

The permission given for the purposes of this section shall not be a general permission to do all or any of the above-mentioned things, but shall only be a permission to do the particular thing or things for which permission is sought in the specified case or cases.

Distribution of Property.

Declaration and distribution of dividends.

58. (1.) Subject to the retention of such sums as may be necessary for the cost of administration, or otherwise, the trustee shall, with all convenient speed, declare and distribute dividends amongst the creditors who have proved their debts.

(2.) The first dividend, if any, shall be declared and distributed within four months after the conclusion of the first meeting of creditors, unless the trustee satisfies the committee of inspection that there is sufficient reason for postponing the declaration to a later date.

(3.) Subsequent dividends shall, in the absence of sufficient reason to the contrary, be declared and distributed at intervals of not more than six months.

(4.) Before declaring a dividend the trustee shall cause notice of his intention to do so to be gazetted in the prescribed manner, and shall also send reasonable notice thereof to each creditor mentioned in the bankrupt's statement who has not proved his debt.

(5.) When the trustee has declared a dividend he shall send to each creditor who has proved a notice showing the amount of the dividend and when and how it is payable, and a statement in the prescribed form as to the particulars of the estate.

Joint and separate dividends.

59. (1.) Where one partner of a firm is adjudged bankrupt, a creditor to whom the bankrupt is indebted jointly with the other partners of the firm, or any of them, shall not receive any dividend out of the separate property of the bankrupt until all the separate creditors have received the full amount of their respective debts.

(2.) Where joint and separate properties are being administered, dividends of the joint and separate properties shall, subject to any order to the contrary that may be made by the Court on the application of any person interested, be declared together; and the expenses of and incident to such dividends shall be fairly apportioned

by the trustee between the joint and separate properties, regard being had to the work done for and the benefit received by each property.

60. In the calculation and distribution of a dividend the trustee shall make provision for debts provable in bankruptcy appearing from the bankrupt's statements, or otherwise, to be due to persons resident in places so distant from the place where the trustee is acting that in the ordinary course of communication they have not had sufficient time to tender their proofs, or to establish them if disputed, and also for debts provable in bankruptcy, the subject of claims not yet determined. He shall also make provision for any disputed proofs or claims, and for the expenses necessary for the administration of the estate or otherwise, and, subject to the foregoing provisions, he shall distribute as dividend all money in hand.

Provision for creditors residing at a distance, &c.

61. Any creditor who has not proved his debt before the declaration of any dividend or dividends shall be entitled to be paid out of any money for the time being in the hands of the trustee any dividend or dividends he may have failed to receive before that money is applied to the payment of any future dividend or dividends, but he shall not be entitled to disturb the distribution of any dividend declared before his debt was proved by reason that he has not participated therein.

Right of creditor who has not proved debt before declaration of a dividend.

62. When the trustee has realised all the property of the bankrupt, or so much thereof as can, in the joint opinion of himself and of the committee of inspection, be realised without needlessly protracting the trusteeship, he shall declare a final dividend, but before so doing he shall give notice in manner prescribed to the persons whose claims to be creditors have been notified to him, but not established to his satisfaction, that if they do not establish their claims to the satisfaction of the Court within a time limited by the notice, he will proceed to make a final dividend, without regard to their claims. After the expiration of the time so limited, or, if the Court on application by any such claimant grant him further time for establishing his claim, then on the expiration of such further time, the property of the bankrupt shall be divided among the creditors who have proved their debts, without regard to the claims of any other persons.

Final dividend.

63. No action for a dividend shall lie against the trustee, but if the trustee refuses to pay any dividend the Court may, if it thinks fit, order him to pay it, and also to pay out of his own money interest thereon for the time that it is withheld, and the costs of the application.

No action for dividend.

Power to allow bankrupt to manage property.

64. (1.) The trustee, with the permission of the committee of inspection, may appoint the bankrupt himself to superintend the management of the property of the bankrupt or of any part thereof, or to carry on the trade (if any) of the bankrupt for the benefit of his creditors, and in any other respect to aid in administering the property in such manner and on such terms as the trustee may direct.

Allowance to bankrupt for maintenance or service.

(2.) The trustee may from time to time, with the permission of the committee of inspection, make such allowance as he may think just to the bankrupt ont of his property for the support of the bankrupt and his family, or in consideration of his services if he is engaged in winding up his estate, but any such allowance may be reduced by the Court.

Right of bankrupt to surplus.

65. The bankrupt shall be entitled to any surplus remaining after payment in full of his creditors, with interest, as by this Act provided, and of the costs, charges, and expenses of the proceedings under the bankruptcy petition.

PART IV.

Official Receivers and Staff of Board of Trade.

Appointment by Board of Trade of official receivers of debtors' estates.

66. (1.) The Board of Trade may, at any time after the passing of this Act, and from time to time appoint such persons as they think fit to be official receivers of debtors' estates, and may remove any person so appointed from such office. The official receivers of debtors' estates shall act under the general authority and directions of the Board of Trade, but shall also be officers of the courts to which they are respectively attached.

(2.) The number of official receivers so to be appointed, and the districts to be assigned to them, shall be fixed by the Board of Trade, with the concurrence of the Treasury. One person only shall be appointed for each district unless the Board of Trade, with the concurrence of the Treasury, shall otherwise direct; but the same person may, with the like concurrence, be appointed to act for more than one district.

(3.) When more than one official receiver is attached to the Court, such one of them as is for the time being appointed by the Court for any particular estate shall be the official receiver for the purposes of that estate. The Court shall distribute the receiverships of the particular estates among the official receivers in the prescribed manner.

Deputy for official receiver.

67. (1.) The Board of Trade may from time to time, by order direct that any of its officers mentioned in the order shall be capable

of discharging the duties of any official receiver during any temporary vacancy in the office, or during the temporary absence of any official receiver through illness or otherwise.

(2.) The Board of Trade may, on the application of an official receiver, at any time by order nominate some fit person to be his deputy, and to act for him for such time not exceeding two months as the order may fix, and under such conditions as to remuneration and otherwise as may be prescribed.

68. (1.) The duties of the official receiver shall have relation both to the conduct of the debtor and to the administration of his estate. Status of official receiver.

(2.) An official receiver may, for the purpose of affidavits verifying proofs, petitions, or other proceedings under this Act, administer oaths.

(3.) All expressions referring to the trustee under a bankruptcy shall, unless the context otherwise requires, or the Act otherwise provides, include the official receiver when acting as trustee.

(4.) The trustee shall supply the official receiver with such information, and give him such access to, and facilities for inspecting the bankrupt's books and documents and generally shall give him such aid, as may be requisite for enabling the official receiver to perform his duties under this Act.

69. As regards the debtor, it shall be the duty of the official receiver— Duties of official receiver as regards the debtor's conduct.

(1.) To investigate the conduct of the debtor and to report to the Court, stating whether there is reason to believe that the debtor has committed any act which constitutes a misdemeanor under the Debtors Act, 1869, or any amendment thereof, or under this Act, or which would justify the Court in refusing, suspending or qualifying an order for his discharge.

(2.) To make such other reports concerning the conduct of the debtor as the Board of Trade may direct.

(3.) To take such part as may be directed by the Board of Trade in the public examination of the debtor.

(4.) To take such part, and give such assistance, in relation to the prosecution of any fraudulent debtor as the Board of Trade may direct.

70. (1.) As regards the estate of a debtor it shall be the duty of the official receiver— Duties of official receiver as to debtor's estate.

(*a.*) Pending the appointment of a trustee, to act as interim receiver of the debtor's estate, and, where a special manager is not appointed, as manager thereof:

(*b.*) To authorise the special manager to raise money or make advances for the purposes of the estate in any case where, in the interests of the creditors, it appears necessary so to do:

(*c.*) To summon and preside at the first meeting of creditors:

(*d.*) To issue forms of proxy for use at the meetings of creditors:

(*e.*) To report to the creditors as to any proposal which the debtor may have made with respect to the mode of liquidating his affairs:

(*f.*) To advertise the receiving order, the date of the creditor's first meeting and of the debtor's public examination, and such other matters as it may be necessary to advertise;

(*g.*) To act as trustee during any vacancy in the office of trustee.

(2.) For the purpose of his duties as interim receiver or manager the official receiver shall have the same powers as if he were a receiver and manager appointed by the High Court, but shall, as far as practicable, consult the wishes of the creditors with respect to the management of the debtor's property, and may for that purpose, if he thinks it advisable, summon meetings of the persons claiming to be creditors, and shall not, unless the Board of Trade otherwise order, incur any expense beyond such as is requisite for the protection of the debtor's property or the disposing of perishable goods.

Provided that when the debtor cannot himself prepare a proper statement of affairs, the official receiver may, subject to any prescribed conditions, and at the expense of the estate, employ some person or persons to assist in the preparation of the statement of affairs.

(3.) Every official receiver shall account to the Board of Trade and pay over all moneys and deal with all securities in such manner as the Board from time to time direct.

Power for Board of Trade to appoint officers.

71. The Board of Trade may, at any time after the passing of this Act, and from time to time, with the approval of the Treasury, appoint such additional officers, including official receivers, clerks, and servants (if any) as may be required by the Board for the execution of this Act, and may dismiss any person so appointed.

PART V.

TRUSTEES IN BANKRUPTCY.

Remuneration of Trustee.

Remuneration of trustee.

72. (1.) Where the creditors appoint any person to be trustee of a debtor's estate, his remuneration (if any) shall be fixed by an ordinary resolution of the creditors or if the creditors so resolve by the Committee of Inspection, and shall be in the nature of a commission or percentage, of which one part shall be payable on the amount realised, after deducting any sums paid to secured creditors out of the proceeds of their securities, and the other part on the amount distributed in dividend.

(2.) If one fourth in number or value of the creditors dissent from the resolution, or the bankrupt satisfies the Board of Trade that the remuneration is unnecessarily large, the Board of Trade shall fix the amount of remuneration.

(3.) The resolution shall express what expenses the remuneration is to cover, and no liability shall attach to the bankrupt's estate, or to the creditors, in respect of any expenses which the remuneration is expressed to cover.

(4.) Where no remuneration has been voted to a trustee he shall be allowed out of the bankrupt's estate such proper costs and expenses incurred by him in or about the proceedings of the bankruptcy as the taxing officer may allow.

(5.) A trustee shall not, under any circumstances whatever, make any arrangement for or accept from the bankrupt, or any solicitor, auctioneer, or any other person that may be employed about a bankruptcy, any gift, remuneration, or pecuniary or other consideration or benefit whatever beyond the remuneration fixed by the creditors and payable out of the estate, nor shall he make any arrangement for giving up, or give up, any part of his remuneration, either as receiver, manager, or trustee to the bankrupt, or any solicitor or other person that may be employed about a bankruptcy.

Costs.

73. (1.) Where a trustee or manager receives remuneration for his services as such no payment shall be allowed in his accounts in respect of the performance by any other person of the ordinary duties which are required by statute or rules to be performed by himself. Allowance and taxation of costs.

(2.) Where the trustee is a solicitor he may contract that the remuneration for his services as trustee shall include all professional services.

(3.) All bills and charges of solicitors, managers, accountants, auctioneers, brokers, and other persons, not being trustees, shall be taxed by the prescribed officer, and no payments in respect thereof shall be allowed in the trustee's accounts without proof of such taxation having been made. The taxing master shall satisfy himself before passing such bills and charges that the employment of such solicitors and other persons, in respect of the particular matters out of which such charges arise, has been duly sanctioned.

(4.) Every such person shall, on request by the trustee (which request the trustee shall make a sufficient time before declaring a dividend), deliver his bill of costs or charges to the proper officer for taxation, and if he fails to do so within seven days after receipt of the request, or such further time as the Court, on application, may grant, the trustee shall declare and distribute the dividend without regard to any claim by him, and thereupon any such claim shall be forfeited as well against the trustee personally as against the estate.

Receipts, Payments, Accounts, Audit.

Payment of money into Bank of England.

74. (1.) An account called the Bankruptcy Estates Account shall be kept by the Board of Trade with the Bank of England, and all moneys received by the Board of Trade in respect of proceedings under this Act shall be paid to that account.

(2.) The account of the Accountant in Bankruptcy at the Bank of England shall be transferred to the Bankruptcy Estates Account.

(3.) Every trustee in Bankruptcy shall, in such manner and at such times as the Board of Trade with the concurrence of the Treasury direct, pay the money received by him to the Bankruptcy Estates Account at the Bank of England, and the Board of Trade shall furnish him with a certificate of receipt of the money so paid.

(4.) Provided that if it appears to the committee of inspection that for the purpose of carrying on the debtor's business, or of obtaining advances, or because of the probable amount of the cash balance, or if the committee shall satisfy the Board of Trade that for any other reason it is for the advantage of the creditors that the trustee should have an account with a local bank, the Board of Trade shall, on the application of the committee of inspection, authorise the trustee to make his payments into and out of such local bank as the committee may select.

Such account shall be opened and kept by the trustee in the name of the debtor's estate; and any interest receivable in respect of the account shall be part of the assets of the estate.

The trustee shall make his payments into and out of such local bank in the prescribed manner.

(5.) Subject to any general rules relating to small bankruptcies under Part VII. of this Act, where the debtor at the date of the receiving order has an account at a bank, such account shall not be withdrawn until the expiration of seven days from the day appointed for the first meeting of creditors, unless the Board of Trade, for the safety of the account, or other sufficient cause, order the withdrawal of the account.

(6.) If a trustee at any time retains for more than ten days a sum exceeding fifty pounds, or such other amount as the Board of Trade in any particular case authorise him to retain, then, unless he explains the retention to the satisfaction of the Board of Trade, he shall pay interest on the amount so retained in excess at the rate of twenty pounds per centum per annum, and shall have no claim for remuneration, and may be removed from his office by the Board of Trade, and shall be liable to pay any expenses occasioned by reason of his default.

(7.) All payments out of money standing to the credit of the Board of Trade in the Bankruptcy Estates Account shall be made by the Bank of England in the prescribed manner.

75. No trustee in a bankruptcy or under any composition or scheme of arrangement shall pay any sums received by him as trustee into his private banking account. **Trustee not to pay into private account.**

76. (1.) Whenever the cash balance standing to the credit of the Bankruptcy Estates Account is in excess of the amount which in the opinion of the Board of Trade is required for the time being to answer demands in respect of bankrupts' estates, the Board of Trade shall notify the same to the Treasury, and shall pay over the same or any part thereof as the Treasury may require to the Treasury, to such account as the Treasury may direct, and the Treasury may invest the the said sums or any part thereof in Government securities to be placed to the credit of the said account. **Investment of surplus funds.**

(2.) Whenever any part of the money so invested is, in the opinion of the Board of Trade, required to answer any demands in respect of bankrupts' estates, the Board of Trade shall notify to the Treasury the amount so required, and the Treasury shall thereupon repay to the Board of Trade such sum as may be required to the credit of the Bankruptcy Estates Account, and for that purpose may direct the sale of such part of the said securities as may be necessary.

(3.) The dividends on the investments under this section shall be paid to such account as the Treasury may direct, and regard shall be had to the amount thus derived in fixing the fees payable in respect of bankruptcy proceedings.

77. The Treasury may from time to time issue to the Board of Trade in aid of the votes of Parliament, out of the receipts arising from fees, fee stamps, and dividends on investments under this Act, any sums which may be necessary to meet the charges estimated by the Board of Trade in respect of salaries and expenses under this Act. **Certain receipts and fees to be applied in aid of expenditure**

78. (1.) Every trustee shall, at such times as may be prescribed, but not less than twice in each year during his tenure of office, send to the Board of Trade, or as they direct, an account of his receipts and payments as such trustee. **Audit of trustee's accounts.**

(2.) The account shall be in a prescribed form, shall be made in duplicate, and shall be verified by a statutory declaration in the prescribed form.

(3.) The Board of Trade shall cause the accounts so sent to be audited, and for the purposes of the audit the trustee shall furnish the Board with such vouchers and information as the Board may require, and the Board may at any time require the production of and inspect any books or accounts kept by the trustee.

(4.) When any such account has been audited one copy thereof shall be filed and kept by the Board, and the other copy shall be filed with the Court, and each copy shall be open to the inspection of any creditor, or of the bankrupt, or of any person interested.

The trustee to furnish list of creditors.

79. The trustee shall, whenever required by any creditor so to do, and on payment by such creditor of the prescribed fee, furnish and transmit to such creditor by post a list of the creditors, showing in such list the amount of the debt due to each of such creditors.

Books to be kept by trustee.

80. The trustee shall keep, in manner prescribed, proper books, in which he shall from time to time cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor of the bankrupt may, subject to the control of the Court, personally or by his agent inspect any such books.

Annual statement of proceedings.

81. (1.) Every trustee in a bankruptcy shall from time to time, as may be prescribed, and not less than once in every year during the continuance of the bankruptcy, transmit to the Board of Trade a statement showing the proceedings in the bankruptcy up to the date of the statement, containing the prescribed particulars, and made out in the prescribed form.

(2.) The Board of Trade shall cause the statements so transmitted to be examined, and shall call the trustee to account for any misfeasance, neglect, or omission which may appear on the said statements or in his accounts or otherwise, and may require the trustee to make good any loss which the estate of the bankrupt may have sustained by the misfeasance, neglect, or omission.

Release of Trustee.

Release of trustee.

82. (1.) When the trustee has realised all the property of the bankrupt, or so much thereof as can, in his opinion, be realised without needlessly protracting the trusteeship, and distributed a final dividend, if any, or has ceased to act by reason of a composition having been approved, or has resigned, or has been removed from his office, the Board of Trade shall, on his application, cause a report on his accounts to be prepared, and, on his complying with all the requirements of the Board, shall take into consideration the report, and any objection which may be urged by any creditor or person interested against the release of the trustee, and shall either grant or withhold the release accordingly, subject nevertheless to an appeal to the High Court.

(2.) Where the release of a trustee is withheld the Court may, on the application of any creditor or person interested make such order as it thinks just, charging the trustee with the consequences of any act or default he may have done or made contrary to his duty.

(3.) An order of the Board releasing the trustee shall discharge him from all liability in respect of any act done or default made by him in the administration of the affairs of the bankrupt, or otherwise in relation to his conduct as trustee, but any such order may be revoked on proof that it was obtained by fraud or by suppression or concealment of any material fact.

(4.) Where the trustee has not previously resigned or been removed, his release shall operate as a removal of him from his office, and thereupon the official receiver shall be the trustee.

Official Name.

83. The trustee may sue and be sued by the official name of "the trustee of the property of · a bankrupt," inserting the name of the bankrupt, and by that name may in any part of the British dominions or elsewhere hold property of every description, make contracts, sue and be sued, enter into any engagements binding on himself and his successors in office, and do all other acts necessary or expedient to be done in the execution of his office. Official name of trustee.

Appointment and Removal.

84. (1.) The creditors may, if they think fit, appoint more persons than one to the office of trustee, and when more persons than one are appointed they shall declare whether any act required or authorised to be done by the trustee is to be done by all or any one or more of such persons, but all such persons are in this Act included under the term "trustee," and shall be joint-tenants of the property of the bankrupt. Power to appoint joint or successive trustees.

(2.) The creditors may also appoint persons to act as trustees in succession in the event of one or more of the persons first named declining to accept the office of trustee, or failing to give security, or not being approved of by the Board of Trade.

85. If a receiving order is made against a trustee he shall thereby vacate his office of trustee. Office of trustee vacated by insolvency.

86. (1.) The creditors may, by ordinary resolution, at a meeting specially called for that purpose, of which seven days' notice has been given, remove a trustee appointed by them, and may at the same or any subsequent meeting appoint another person to fill the vacancy as herein-after provided in case of a vacancy in the office of trustee. Removal of trustee.

(2.) If the Board of Trade are of opinion that a trustee appointed by the creditors is guilty of misconduct, or fails to perform his duties under this Act, the Board may remove him from his office, but if the creditors, by ordinary resolution, disapprove of his removal, he or they may appeal against it to the High Court.

87. (1.) If a vacancy occurs in the office of a trustee the creditors in general meeting may appoint a person to fill the vacancy, and thereupon the same proceedings shall be taken as in the case of a first appointment. Proceedings in case of vacancy in office of trustee.

(2.) The official receiver shall, on the requisition of any creditor, summon a meeting for the purpose of filling any such vacancy.

(3.) If the creditors do not within three weeks after the occurrence of a vacancy appoint a person to fill the vacancy, the official receiver shall report the matter to the Board of Trade, and the Board may appoint a trustee; but in such case the creditors or committee of inspection shall have the same power of appointing a trustee as in the case of a first appointment.

(4.) During any vacancy in the office of trustee the official receiver shall act as trustee.

Voting powers of Trustee.

Limitation of voting powers of trustee.

88. The vote of the trustee, or of his partner, clerk, solicitor, or solicitor's clerk, either as creditor or as proxy for a creditor, shall not be reckoned in the majority required for passing any resolution affecting the remuneration or conduct of the trustee.

Control over Trustee.

Discretionary powers of trustee and control thereof.

89. (1.) Subject to the provisions of this Act the trustee shall, in the administration of the property of the bankrupt and in the distribution thereof amongst his creditors, have regard to any directions that may be given by resolution of the creditors at any general meeting, or by the committee of inspection, and any directions so given by the creditors at any general meeting shall in case of conflict be deemed to over-ride any directions given by the committee of inspection.

(2.) The trustee may from time to time summon general meetings of the creditors for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors, by resolution, either at the meeting appointing the trustee or otherwise may direct, or whenever requested in writing to do so by one-fourth in value of the creditors.

(3.) The trustee may apply to the Court in manner prescribed for directions in relation to any particular matter arising under the bankruptcy.

(4.) Subject to the provisions of this Act the trustee shall use his own discretion in the management of the estate and its distribution among the creditors.

Appeal to Court against trustee.

90. If the bankrupt or any of the creditors, or any other person, is aggrieved by any act or decision of the trustee, he may apply to the Court, and the Court may confirm, reverse, or modify the act or decision complained of, and make such order in the premises as it thinks just.

Control of Board of Trade over trustees.

91. (1.) The Board of Trade shall take cognizance of the conduct of trustees, and in the event of any trustee not faithfully performing

his duties, and duly observing all the requirements imposed on him by statute, rules or otherwise, with respect to the performance of his duties, or in the event of any complaint being made to the Board by any creditor in regard thereto, the Board shall inquire into the matter and take such action thereon as may be deemed expedient.

(2.) The Board may at any time require any trustee to answer any inquiry made by them in relation to any bankruptcy in which the trustee is engaged, and may, if the Board think fit, apply to the Court to examine on oath the trustee or any other person concerning the bankruptcy.

(3.) The Board may also direct a local investigation to be made of the books and vouchers of the trustee.

PART VI.

Constitution, Procedure, and Powers of Court.

Jurisdiction.

92. (1.) The Courts having jurisdiction in bankruptcy shall be the High Court and the county courts. Jurisdiction to be exercised by High Court and County Courts.

(2.) But the Lord Chancellor may from time to time, by order under his hand, exclude any county court from having jurisdiction in bankruptcy, and for the purposes of bankruptcy jurisdiction may attach its district or any part thereof to the High Court, or to any other county court or courts, and may from time to time revoke or vary any order so made. The Lord Chancellor may, in like manner, and subject to the like conditions, detach the district of any county court or any part thereof from the district and jurisdiction of the High Court.

(3.) The term "district," when used in this Act with reference to a county court, means the district of the court for the purposes of bankruptcy jurisdiction.

(4.) A county court which, at the commencement of this Act, is excluded from having bankruptcy jurisdiction, shall continue to be so excluded until the Lord Chancellor otherwise orders.

(5.) Periodical sittings for the transaction of bankruptcy business by county courts having jurisdiction in bankruptcy shall be holden at such times and at such intervals as the Lord Chancellor shall prescribe for each such court.

93. (1.) From and after the commencement of this Act the London Bankruptcy Court shall be united and consolidated with and form part of the Supreme Court of Judicature, and the jurisdiction of the London Bankruptcy Court shall be transferred to the High Court. Consolidation of London Bankruptcy Court with Supreme Court of Judicature

(2.) For the purposes of this union, consolidation, and transfer, and of all matters incidental thereto and consequential thereon, the Supreme Court of Judicature Act, 1873, as amended by subsequent Acts, shall, subject to the provisions of this Act, have effect as if the union, consolidation, and transfer had been effected by that Act, except that all expressions referring to the time appointed for the commencement of that Act shall be construed as referring to the commencement of this Act, and, subject as aforesaid, this Act and the said above-mentioned Acts shall be read and construed together.

Transaction of bankruptcy business by special judge of High Court.

94. (1.) Subject to general rules, and to orders of transfer made under the authority of the Supreme Court of Judicature Act, 1873, and Acts amending it,—

(*a.*) All matters pending in the London Bankruptcy Court at the commencement of this Act; and

(*b.*) All matters which would have been within the exclusive jurisdiction of the London Bankruptcy Court, if this Act had not passed; and

(*c.*) All matters in respect of which jurisdiction is given to the High Court by this Act,

shall be assigned to such Division of the High Court as the Lord Chancellor may from time to time direct.

(2.) All such matters shall, subject as aforesaid, be ordinarily transacted and disposed of by or under the direction of one of the judges of the High Court, and the Lord Chancellor shall from time to time assign a judge for that purpose.

(3.) Provided that during vacation, or during the illness of the judge so assigned, or during his absence or for any other reasonable cause such matters, or any part thereof, may be transacted and disposed of by or under the directions of any judge of the High Court named for that purpose by the Lord Chancellor.

(4.) Subject to the provisions of this Act, the officers, clerks, and subordinate persons who are, at the commencement of this Act, attached to the London Bankruptcy Court, and their successors, shall be officers of the Supreme Court of Judicature, and shall be attached to the High Court.

(5.) Subject to general rules, all bankruptcy matters shall be entitled, "In bankruptcy."

Petition, where to be presented.

95. (1.) If the debtor against or by whom a bankruptcy petition is presented has resided or carried on business within the London bankruptcy district as defined by this Act for the greater part of the six months immediately preceding the presentation of the petition, or for a longer period during those six months than in the district of any county court, or is not resident in England, or if the petitioning creditor is unable to ascertain the residence of the debtor, the petition shall be presented to the High Court.

(2.) In any other case the petition shall be presented to the county court for the district in which the debtor has resided or carried on business for the longest period during the six months immediately preceding the presentation of the petition.

(3.) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong court.

96. The London Bankruptcy District shall, for the purposes of this Act, comprise the city of London and the liberties thereof, and all such parts of the metropolis and other places as are situated within the district of any county court described as a metropolitan county court in the list contained in the Third Schedule. **Definition of the London Bankruptcy District.**

97. (1.) Subject to the provisions of this Act, every court having original jurisdiction in bankruptcy shall have jurisdiction throughout England. **Transfer of proceedings from Court to Court.**

(2.) Any proceedings in bankruptcy may at any time, and at any stage thereof, and either with or without application from any of the parties thereto, be transferred by any prescribed authority and in the prescribed manner from one court to another court, or may by the like authority be retained in the court in which the proceedings were commenced, although it may not be the court in which the proceedings ought to have been commenced.

(3.) If any question of law arises in any bankruptcy proceeding in a county court which all the parties to the proceeding desire, or which one of them and the judge of the county court may desire, to have determined in the first instance in the High Court, the judge shall state the facts in the form of a special case, for the opinion of the High Court. The special case and the proceedings, or such of them as may be required, shall be transmitted to the High Court for the purposes of the determination.

98. Subject to the provisions of this Act and to general rules the judge of the High Court exercising jurisdiction in bankruptcy may exercise in chambers the whole or any part of his jurisdiction. **Exercise in chambers of High Court jurisdiction.**

99. (1.) The registrars in bankruptcy of the High Court, and the registrars of a county court having jurisdiction in bankruptcy, shall have the powers and jurisdiction in this section mentioned, and any order made or act done by such registrars in the exercise of the said powers and jurisdiction shall be deemed the order or act of the Court. **Jurisdiction in bankruptcy of registrar.**

(2.) Subject to general rules limiting the powers conferred by this section, a registrar shall have power—

(*a.*) To hear bankruptcy petitions, and to make receiving orders and adjudications thereon :

(*b.*) To hold public examination of debtors:
(*c.*) To grant orders of discharge where the application is not opposed:
(*d.*) To approve compositions or schemes of arrangement when they are not opposed:
(*e.*) To make interim orders in any case of urgency:
(*f.*) To make any order or exercise any jurisdiction which by any rule in that behalf is prescribed as proper to be made or exercised in chambers:
(*g.*) To hear and determine any unopposed or ex parte application:
(*h.*) To summon and examine any person known or suspected to have in his possession effects of the debtor or to be indebted to him, or capable of giving information respecting the debtor, his dealings or property.

(3.) The Registrars in bankruptcy of the High Court shall also have power to grant orders of discharge and certificates of removal of disqualifications, and to approve compositions and schemes of arrangement.

(4.) A registrar shall not have power to commit for contempt of court.

(5.) The Lord Chancellor may from time to time by order direct that any specified registrar of a county court shall have and exercise all the powers of a bankruptcy registrar of the High Court.

Powers of County Court.

100. A county court shall, for the purposes of its bankruptcy jurisdiction, in addition to the ordinary powers of the Court, have all the powers and jurisdiction of the High Court, and the orders of the Court may be enforced accordingly in manner prescribed.

Board of Trade to make payments in accordance with directions of Court.

101. Where any moneys or funds have been received by an official receiver or by the Board of Trade, and the Court makes an order declaring that any person is entitled to such moneys or funds the Board of Trade shall make an order for the payment thereof to the person so entitled as aforesaid.

General power of bankruptcy Courts.

102. (1.) Subject to the provisions of this Act, every court having jurisdiction in bankruptcy under this Act shall have full power to decide all questions of priorities, and all other questions whatsoever, whether of law or fact, which may arise in any case of bankruptcy coming within the cognizance of the Court, or which the Court may deem it expedient or necessary to decide for the purpose of doing complete justice or making a complete distribution of property in any such case.

Provided that the jurisdiction hereby given shall not be exercised by the county court for the purpose of adjudicating upon any claim, not arising out of the bankruptcy, which might heretofore have been enforced by action in the High Court, unless all parties to the

proceeding consent thereto, or the money, money's worth, or right in dispute does not in the opinion of the judge exceed in value two hundred pounds.

(2.) A court having jurisdiction in bankruptcy under this Act shall not be subject to be restrained in the execution of its powers under this Act by the order of any other court, nor shall any appeal lie from its decisions, except in manner directed by this Act.

(3.) If in any proceeding in bankruptcy there arises any question of fact which either of the parties desire to be tried before a jury instead of by the Court itself, or which the Court thinks ought to be tried by a jury, the Court may if it thinks fit direct the trial to be had, with a jury and the trial may be had accordingly, in the High Court in the same manner as if it were the trial of an issue of fact in an action, and in the county court in the manner in which jury trials in ordinary cases are by law held in that court.

(4.) Where a receiving order has been made in the High Court under this Act, the judge by whom such order was made shall have power, if he sees fit, without any further consent, to order the transfer to such judge of any action pending in any other division, brought or continued by or against the bankrupt.

(5.) Where default is made by a trustee, debtor, or other person in obeying any order or direction given by the Board of Trade or by an official receiver or any other officer of the Board of Trade under any power conferred by this Act, the court may, on the application of the Board of Trade or an official receiver or other duly authorised person order such defaulting trustee, debtor, or person to comply with the order or direction so given; and the court may also, if it shall think fit, upon any such application make an immediate order for the committal of such defaulting trustee, debtor, or other person; provided that the power given by this sub-section shall be deemed to be in addition to and not in substitution for any other right or remedy in respect of such default.

Judgment Debtors.

103. (1.) It shall be lawful for the Lord Chancellor by order to direct that the jurisdiction and powers under section five of the Debtor's Act, 1869, now vested in the High Court, shall be assigned to and exercised by the judge to whom bankruptcy business is assigned. **Judgment debtor's summons to be bankruptcy business.**

(2.) It shall be lawful also for the Lord Chancellor in like manner to direct that the whole or any part of the said jurisdiction and powers shall be delegated to and exercised by the bankruptcy registrars of the High Court.

(3.) Any order made under this section may, at any time, in like manner, be rescinded or varied.

(4.) Every county court within the jurisdiction of which a judgment debtor is or resides shall have jurisdiction under section

five of the Debtor's Act, 1869, although the amount of the judgment debt may exceed fifty pounds.

(5.) Where, under section five of the Debtor's Act, 1869, application is made by a judgment creditor to a court, having bankruptcy jurisdiction, for the committal of a judgment debtor, the court may, if it thinks fit, decline to commit, and in lieu thereof, with the consent of the judgment creditor, and on payment by him of the prescribed fee, make a receiving order against the debtor. In such case the judgment debtor shall be deemed to have committed an act of bankruptcy at the time the order is made.

(6.) General rules under this Act may be made for the purpose of carrying into effect the provisions of the Debtor's Act, 1869.

Appeals.

Appeals in bankruptcy.

104. (1.) Every court having jurisdiction in bankruptcy under this Act may review, rescind, or vary any order made by it under its bankruptcy jurisdiction.

(2.) Orders in bankruptcy matters shall, at the instance of any person aggrieved, be subject to appeal as follows:

(*a.*) An appeal shall lie from the order of a County Court to Her Majesty's Court of Appeal:

(*b.*) An appeal shall lie from the order of the High Court to Her Majesty's Court of Appeal:

(*c.*) An appeal shall, with the leave of Her Majesty's Court of Appeal, but not otherwise, lie from the order of that Court to the House of Lords:

(*d.*) No appeal shall be entertained except in conformity with such general rules as may for the time being be in force in relation to the appeal.

Procedure.

Discretionary powers of the Court.

105. (1.) Subject to the provisions of this Act and to general rules, the costs of and incidental to any proceeding in Court under this Act shall be in the discretion of the Court: Provided that where any issue is tried by a jury the costs shall follow the event, unless, upon application made at the trial, for good cause shown, the judge before whom such issue is tried shall otherwise order.

(2.) The Court may at any time adjourn any proceedings before it upon such terms, if any, as it may think fit to impose.

(3.) The Court may at any time amend any written process or proceeding under this Act upon such terms, if any, as it may think fit to impose.

(4.) Where by this Act, or by general rules, the time for doing any Act or thing is limited, the Court may extend the time either before or after the expiration thereof, upon such terms, if any, as the Court may think fit to impose.

(5) Subject to general rules, the court may in any matter take the whole or any part of the evidence either vivâ voce, or by interrogatories, or upon affidavit, or by commission abroad.

(6) For the purpose of approving a composition or scheme by joint debtors, the Court may, if it thinks fit, and on the report of the official receiver that it is expedient so to do, dispense with the public examination of one of such joint debtors if he is unavoidably prevented from attending the examination by illness or absence abroad.

106. Where two or more bankruptcy petitions are presented against the same debtor or against joint debtors, the Court may consolidate the proceedings, or any of them, on such terms as the Court thinks fit.

Consolidation of petitions.

107. Where the petitioner does not proceed with due diligence on his petition, the Court may substitute as petitioner any other creditor to whom the debtor may be indebted in the amount required by this Act in the case of the petitioning creditor.

Power to change carriage of proceedings.

108. If a debtor by or against whom a bankruptcy petition has been presented dies, the proceedings in the matter shall, unless the Court otherwise orders, be continued as if he were alive.

Continuance of proceedings on death of debtor.

109. The Court may at any time, for sufficient reason, make an order staying the proceedings under a bankruptcy petition, either altogether or for a limited time, on such terms and subject to such conditions as the Court may think just.

Power to stay proceedings.

110. Any creditor whose debt is sufficient to entitle him to present a bankruptcy petition against all the partners of a firm may present a petition against any one or more partners of the firm without including the others.

Power to present petition against one partner.

111. Where there are more respondents than one to a petition the Court may dismiss the petition as to one or more of them, without prejudice to the effect of the petition as against the other or others of them.

Power to dismiss petition against some respondents only.

112. Where a receiving order has been made on a bankruptcy petition against or by one member of a partnership, any other bankruptcy petition against or by a member of the same partnership shall be filled in or transferred to the Court in which the first-mentioned petition is in course of prosecution, and, unless the Court otherwise directs, the same trustee or receiver shall be appointed as may have been appointed in respect of the property of the first-mentioned member of the partnership, and the Court may give such directions for consolidating the proceedings under the petitions as it thinks just.

Property of partners to be vested in same trustee

Actions by trustee and bankrupt's partners.

113. Where the member of a partnership is adjudged bankrupt, the Court may authorise the trustee to commence and prosecute any action in the names of the trustee and of the bankrupt's partner; and any release by such partner of the debt or demand to which the action relates shall be void; but notice of the application for authority to commence the action shall be given to him, and he may show cause against it, and on his application the Court may, if it thinks fit, direct that he shall receive his proper share of the proceeds of the action, and if he does not claim any benefit therefrom he shall be indemnified against costs in respect thereof as the Court directs.

Actions on joint contracts.

114. Where a bankrupt is a contractor in respect of any contract jointly with any person or persons, such person or persons may sue or be sued in respect of the contract without the joinder of the bankrupt.

Proceedings in partnership name.

115. Any two or more persons, being partners, or any person carrying on business under a partnership name, may take proceedings or be proceeded against under this Act in the name of the firm, but in such case the Court may, on application by any person interested, order the names of the persons who are partners in such firm or the name of such person to be disclosed in such manner, and verified on oath, or otherwise as the Court may direct.

Officers.

Disabilities of officers.

116. (1.) No registrar or other officer attached to any court having jurisdiction in bankruptcy shall, during his continuance in office, be capable of being elected or sitting as a member of the House of Commons.

(2.) No registrar or official receiver or other officer attached to any such court shall, during his continuance in office, either directly or indirectly, by himself, his clerk, or partner, act as solicitor in any proceeding in bankruptcy or in any prosecution of a debtor by order of the Court, and if he does so act he shall be liable to be dismissed from office.

Provided that nothing in this section shall affect the right of any registrar or officer appointed before the passing of this Act to act as solicitor by himself, his clerk, or partner to the extent permitted by section sixty-nine of the Bankruptcy Act, 1869.

Orders and Warrants of Court.

Enforcement of orders of Courts throughout the United Kingdom.

117. Any order made by a court having jurisdiction in bankruptcy in England under this Act shall be enforced in Scotland and Ireland in the courts having jurisdiction in bankruptcy in those

parts of the United Kingdom respectively, in the same manner in all respects as if the order had been made by the Court hereby required to enforce it; and in like manner any order made by a court having jurisdiction in bankruptcy in Scotland shall be enforced in England and Ireland, and any order made by a court having jurisdiction in bankruptcy in Ireland shall be enforced in England and Scotland by the courts respectively having jurisdiction in bankruptcy in the part of the United Kingdom where the orders may require to be enforced, and in the same manner in all respects as if the order had been made by the Court required to enforce it in a case of bankruptcy within its own jurisdiction.

118. The High Court, the county courts, the courts having jurisdiction in bankruptcy in Scotland and Ireland, and every British court elsewhere having jurisdiction in bankruptcy or insolvency, and the officers of those courts respectively, shall severally act, in aid of and be auxiliary to each other in all matters of bankruptcy, and an order of the Court seeking aid, with a request to another of the said courts, shall be deemed sufficient to enable the latter court to exercise, in regard to the matters directed by the order, such jurisdiction as either the court which made the request, or the court to which the request is made, could exercise in regard to similar matters within their respective jurisdictions. Courts to be auxiliary to each other.

119. (1.) Any warrant of a Court having jurisdiction in bankruptcy in England may be enforced in Scotland, Ireland, the Isle of Man, the Channel Islands, and elsewhere in Her Majesty's dominions, in the same manner and subject to the same privileges in and subject to which a warrant issued by any justice of the peace against a person for an indictable offence against the laws of England may be executed in those parts of Her Majesty's dominions respectively in pursuance of the Acts of Parliament in that behalf. Warrants of Bankruptcy Courts.

(2.) A search warrant issued by a court having jurisdiction in bankruptcy for the discovery of any property of a debtor may be executed in manner prescribed or in the same manner and subject to the same privileges in and subject to which a search warrant for property supposed to be stolen may be executed according to law.

120. Where the Court commits any person to prison, the commitment may be to such convenient prison as the Court thinks expedient, and if the gaoler of any prison refuses to receive any prisoner so committed he shall be liable for every such refusal to a fine not exceeding one hundred pounds. Commitment to prison.

PART VII.

Small Bankruptcies.

Summary administration in small cases.

121. When a petition is presented by or against a debtor, if the Court is satisfied by affidavit or otherwise, or the official receiver reports to the Court that the property of the debtor is not likely to exceed in value three hundred pounds, the Court may make an order that the debtor's estate be administered in a summary manner, and thereupon the provisions of this Act shall be subject to the following modifications:

(1.) If the debtor is adjudged bankrupt the official receiver shall be the trustee in the bankruptcy:

(2.) There shall be no committee of inspection, but the official receiver may do with the permission of the Board of Trade all things which may be done by the trustee with the permission of the committee of inspection:

(3.) Such other modifications may be made in the provisions of this Act as may be prescribed by general rules with the view of saving expense and simplifying procedure; but nothing in this section shall permit the modification of the provisions of this Act relating to the examination or discharge of the debtor.

Provided that the creditors may at any time, by special resolution, resolve that some person other than the official receiver be appointed trustee in the bankruptcy, and thereupon the bankruptcy shall proceed as if an order for summary administration had not been made.

Power for County Court to make administration order instead of order for payment by instalments.

122. (1.) Where a judgment has been obtained in a county court and the debtor is unable to pay the amount forthwith, and alleges that his whole indebtedness amounts to a sum not exceeding fifty pounds, inclusive of the debt for which the judgment is obtained, the county court may make an order providing for the administration of his estate, and for the payment of his debts by instalments or otherwise, and either in full or to such extent as to the county court under the circumstances of the case appears practicable, and subject to any conditions as to his future earnings or income which the court may think just.

(2.) The order shall not be invalid by reason only that the total amount of the debts is found at any time to exceed fifty pounds, but in such case the county court may, if it thinks fit, set aside the order.

(3.) Where, in the opinion of the county court in which the judgment is obtained, it would be inconvenient that that court should administer the estate, it shall cause a certificate of the judgment to be forwarded to the county court in the district of which the debtor or the majority of the creditors resides or reside,

and thereupon the latter county court shall have all the powers which it would have under this section, had the judgment been obtained in it.

(4.) Where it appears to the registrar of the county court that property of the debtor exceeds in value ten pounds, he shall, at the request of any creditor, and without fee, issue execution against the debtor's goods, but the household goods, wearing apparel, and bedding of the debtor or his family, and the tools and implements of his trade to the value in the aggregate of twenty pounds, shall to that extent be protected from seizure.

(5.) When the order is made no creditor shall have any remedy against the person or property of the debtor in respect of any debt which the debtor has notified to a county court, except with the leave of that county court, and on such terms as that court may impose; and any county court or inferior court in which proceedings are pending against the debtor in respect of any such debt shall, on receiving notice of the order, stay the proceedings, but may allow costs already incurred by the creditor, and such costs may, on application, be added to the debt notified.

(6.) If the debtor makes default in payment of any instalment payable in pursuance of any order under this section, he shall, unless the contrary is proved, be deemed to have had since the date of the order the means to pay the sum in respect of which he has made default and to have refused or neglected to pay the same.

(7.) The order shall be carried into effect in such manner as may be prescribed by general rules.

(8.) Money paid into court under the order shall be appropriated first in satisfaction of the costs of the plaintiff in the action, next in satisfaction of the costs of administration (which shall not exceed two shillings in the pound on the total amount of the debts) and then in liquidation of debts in accordance with the order.

(9.) Notice of the order shall be sent to the registrar of county court judgments, and be posted in the office of the county court of the district in which the debtor resides, and sent to every creditor notified by the debtor, or who has proved.

(10.) Any creditor of the debtor, on proof of his debt before the registrar, shall be entitled to be scheduled as a creditor of the debtor for the amount of his proof.

(11.) Any creditor may in the prescribed manner object to any debt scheduled, or to the manner in which payment is directed to be made by instalments.

(12.) Any person who after the date of the order becomes a creditor of the debtor, shall, on proof of his debt before the registrar, be scheduled as a creditor of the debtor for the amount of his proof, but shall not be entitled to any dividend under the order until those creditors who are scheduled as having been creditors before the date of the order have been paid to the extent provided by the order.

(13.) When the amount received under the order is sufficient to pay each creditor scheduled to the extent thereby provided, and the costs of the plaintiff and of the administration, the order shall be superseded, and the debtor shall be discharged from his debts to the scheduled creditors.

(14.) In computing the salary of a registrar under the County Courts Act every creditor scheduled, not being a judgment creditor, shall count as a plaint.

PART VIII.

Supplemental Provisions.

Application of Act.

Exclusion of partnerships and companies.

123. A receiving order shall not be made against any corporation, or against any partnership or association, or company registered under the Companies Act, 1862.

Privilege of Parliament.

124. If a person having privilege of Parliament commits an act of bankruptcy, he may be dealt with under this Act in like manner as if he had not such privilege.

Administration in bankruptcy of estate of person dying insolvent.

125. (1.) Any creditor of a deceased debtor whose debt would have been sufficient to support a bankruptcy petition against such debtor, had he been alive, may present to the court a petition in the prescribed form praying for an order for the administration of the estate of the deceased debtor, according to the Law of Bankruptcy.

(2.) Upon the prescribed notice being given to the legal personal representative of the deceased debtor, the court may, in the prescribed manner, upon proof of the petitioner's debt, unless the court is satisfied that there is no reasonable probability that the estate will be sufficient for the payment of the debts owing by the deceased, make an order for the administration in bankruptcy of the deceased debtor's estate, or may upon cause shown dismiss such petition with or without costs.

(3.) An order of administration under this section shall not be made until the expiration of two months from the date of the grant of probate or letters of administration, unless with the concurrence of the legal personal representative of the deceased debtor, or unless the petitioner proves to the satisfaction of the court that the debtor committed an act of bankruptcy within three months prior to his decease.

(4.) A petition for administration under this section shall not be presented to the court after proceedings have been commenced in any

court of justice for the administration of the deceased debtor's estate, but that court may in such case, on the application of any creditor, and on proof that the estate is insufficient to pay its debts, transfer the proceedings to the court exercising jurisdiction in bankruptcy, and thereupon such last-mentioned court may, in the prescribed manner, make an order for the administration of the estate of the deceased debtor, and the like consequences shall ensue as under an administration order made on the petition of a creditor.

(5.) Upon an order being made for the administration of a deceased debtor's estate, the property of the debtor shall vest in the official receiver of the court, as trustee thereof, and he shall forthwith proceed to realise and distribute the same in accordance with the provisions of this Act.

(6.) With the modifications herein-after mentioned, all the provisions of Part III. of this Act, relating to the administration of the property of a bankrupt, shall, so far as the same are applicable, apply to the case of an administration order under this section in like manner as to an order of adjudication under this Act.

(7.) In the administration of the property of the deceased debtor under an order of administration, the official receiver shall have regard to any claim by the legal personal representative of the deceased debtor to payment of the proper funeral and testamentary expenses incurred by him in and about the debtor's estate, and such claims shall be deemed a preferential debt under the order, and be payable in full, out of the debtor's estate, in priority to all other debts.

(8.) If, on the administration of a deceased debtor's estate, any surplus remains in the hands of the official receiver, after payment in full of all the debts due from the debtor, together with the costs of the administration and interest as provided by this Act in case of bankruptcy, such surplus shall be paid over to the legal personal representative of the deceased debtor's estate, or dealt with in such other manner as may be prescribed.

(9.) Notice to the legal personal representative of a deceased debtor of the presentation by a creditor of a petition under this section shall, in the event of an order for administration being made thereon, be deemed to be equivalent to notice of an act of bankruptcy, and after such notice no payment or transfer of property made by the legal personal representatives shall operate as a discharge to him as between himself and the official receiver; save as aforesaid nothing in this section shall invalidate any payment made or any act or thing done in good faith by the legal personal representative before the date of the order for administration.

(10.) Unless the context otherwise requires, "court," in this section, means the court within the jurisdiction of which the debtor resided or carried on business for the greater part of the six months immediately prior to his decease; "creditor" means one or more

creditors qualified to present a bankruptcy petition, as in this Act provided.

(11.) General rules, for carrying into effect the provisions of this section, may be made in the same manner and to the like effect and extent as in bankruptcy.

Saving as to debts contracted before Act of 1861.

126. No person, not being a trader within the meaning of the Bankruptcy Act, 1861, shall be adjudged bankrupt in respect of a debt contracted before the passing of that Act.

General Rules.

Power to make general rules.

127. (1.) The Lord Chancellor may from time to time, with the concurrence of the President of the Board of Trade, make, revoke, and alter general rules for carrying into effect the objects of this Act.

(2.) All general rules made under the foregoing provisions of this section shall be laid before Parliament within three weeks after they are made, if Parliament is then sitting, and if Parliament is not then sitting, within three weeks after the beginning of the then next session of Parliament, and shall be judicially noticed, and shall have effect as if enacted by this Act.

(3.) Such general rules as may be required for purposes of this Act may be made at any time after the passing of this Act.

(4.) Provided always, that the said general rules, so made, revoked, or altered, shall not extend the jurisdiction of the court.

(5.) After the commencement of this Act no general rule under the provisions of this section shall come into operation until the expiration of one month after the same has been made and issued.

Fees, Salaries, Expenditure, and Returns.

Fees and remuneration.

128. (1.) The Lord Chancellor may, with the sanction of the Treasury, from time to time prescribe a scale of fees and percentages to be charged for or in respect of proceedings under this Act; and the Treasury shall direct by whom and in what manner the same are to be collected, accounted for, and to what account they shall be paid. The Board of Trade, with the concurrence of the Treasury, shall direct whether any and what remuneration is to be allowed to any officer of, or person attached to, the Board of Trade, performing any duties under this Act, and may from time to time vary, increase, or diminish such remuneration as they may see fit.

(2.) This section shall come into operation on the passing of this Act.

Judicial salaries, &c.

129. (1.) The Lord Chancellor, with the concurrence of the Treasury, shall direct whether any and what remuneration is to be allowed to any person (other than an officer of the Board of Trade)

performing any duties under this Act, and may from time to time vary, increase or diminish such remuneration as he may think fit.

(2.) This section shall come into operation on the passing of this Act.

130. (1.) The Treasury shall annually cause to be prepared and laid before both Houses of Parliament an account for the year ending with the thirty-first day of March, showing the receipts and expenditure during that year in respect of bankruptcy proceedings, whether commenced under this or any previous Act, and the provisions of section twenty-eight of the Supreme Court of Judicature Act, 1875, shall apply to the account as if the account had been required by that section. **Annual accounts of receipts and expenditure in respect of bankruptcy proceedings.**

(2.) The accounts of the Board of Trade, under this Act, shall be audited in such manner as the Treasury from time to time direct, and, for the purpose of the account to be laid before Parliament, the Board of Trade shall make such returns, and give such information as the Treasury may from time to time direct.

131. The registrars and other officers of the courts acting in bankruptcy shall make to the Board of Trade such returns of the business of their respective courts and offices, at such times and in such manner and form as may be prescribed, and from such returns the Board of Trade shall cause books to be prepared which shall, under the regulations of the Board, be open for public information and searches. **Returns by bankruptcy officers.**

The Board of Trade shall also cause a general annual report of all matters, judicial and financial, within this Act, to be prepared and laid before both Houses of Parliament.

Evidence.

132. (1.) A copy of the London Gazette containing any notice inserted therein in pursuance of this Act shall be evidence of the facts stated in the notice. **Gazette to be evidence.**

(2.) The production of a copy of the London Gazette containing any notice of a receiving order, or of an order adjudging a debtor bankrupt, shall be conclusive evidence in all legal proceedings of the order having been duly made, and of its date.

133. (1.) A minute of proceedings at a meeting of creditors under this Act, signed at the same or the next ensuing meeting, by a person describing himself as, or appearing to be, chairman of the meeting at which the minute is signed, shall be received in evidence without further proof. **Evidence of proceedings at meetings of creditors.**

(2.) Until the contrary is proved, every meeting of creditors in respect of the proceedings whereof a minute has been so signed shall

be deemed to have been duly convened and held, and all resolutions passed or proceedings had thereat to have been duly passed or had.

Evidence of proceedings in bankruptcy.

134. Any petition or copy of a petition in bankruptcy, any order or certificate or copy of an order or certificate made by any Court having jurisdiction in bankruptcy, any instrument or copy of an instrument, affidavit, or document made or used in the course of any bankruptcy proceedings, or other proceedings had under this Act, shall, if it appears to be sealed with the seal of any Court having jurisdiction in bankruptcy, or purports to be signed by any judge thereof, or is certified as a true copy by any registrar thereof, be receivable in evidence in all legal proceedings whatever.

Swearing of affidavits.

135. Subject to general rules, any affidavit to be used in a bankruptcy court may be sworn before any person authorised to administer oaths in the High Court, or in the Court of Chancery of the county palatine of Lancaster, or before any registrar of a bankruptcy court, or before any officer of a bankruptcy court authorised in writing on that behalf by the judge of the Court, or, in the case of a person residing in Scotland or in Ireland, before a judge ordinary, magistrate, or justice of the peace, or, in the case of a person who is out of the Kingdom of Great Britain and Ireland, before a magistrate or justice of the peace or other person qualified to administer oaths in the country where he resides (he being certified to be a magistrate or justice of the peace, or qualified as aforesaid by a British minister or British consul, or by a notary public).

Death of witness.

136. In case of the death of the debtor or his wife, or of a witness whose evidence has been received by any Court in any proceeding under this Act, the deposition of the person so deceased, purporting to be sealed with the seal of the Court, or a copy thereof purporting to be so sealed, shall be admitted as evidence of the matters therein disposed to.

Bankruptcy Courts to have seals.

137. Every Court having jurisdiction in bankruptcy under this Act shall have a seal describing the Court in such manner as may be directed by order of the Lord Chancellor, and judicial notice shall be taken of the seal, and of the signature of the judge or registrar of any such Court, in all legal proceedings.

Certificate of appointment of trustee.

138. A certificate of the Board of Trade that a person has been appointed trustee under this Act, shall be conclusive evidence of his appointment.

Appeal from Board of Trade to High Court.

139. Where by this Act an appeal to the High Court is given against any decision of the Board of Trade, or of the official receiver, the appeal shall be brought within twenty-one days from

the time when the decision appealed against is pronounced or made.

140. (1.) All documents purporting to be orders or certificates made or issued by the Board of Trade, and to be sealed with the seal of the Board, or to be signed by a secretary or assistant secretary of the Board, or any person authorised in that behalf by the President of the Board, shall be received in evidence, and deemed to be such orders or certificates without further proof unless the contrary is shown. **Proceedings of Board of Trade.**

(2.) A certificate signed by the President of the Board of Trade that any order made, certificate issued, or act done, is the order, certificate, or act of the Board of Trade shall be conclusive evidence of the fact so certified.

Time.

141. (1.) Where by this Act any limited time from or after any date or event is appointed or allowed for the doing of any act or the taking of any proceeding, then in the computation of that limited time the same shall be taken as exclusive of the day of that date, or of the happening of that event, and as commencing at the beginning of the next following day; and the act or proceeding shall be done or taken at latest on the last day of that limited time as so computed, unless the last day is a Sunday, Christmas Day, Good Friday, or Monday or Tuesday, in Easter Week, or a day appointed for public fast, humiliation, or thanksgiving, or a day on which the Court does not sit, in which case any act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day afterwards, which shall not be one of the days in this section specified. **Computation of time.**

(2.) Where by this Act any act or proceeding is directed to be done or taken on a certain day, then if that day happens to be one of the days in this section specified, the act or proceeding shall be considered as done or taken in due time if it is done or taken on the next day afterwards, which shall not be one of the days in this section specified.

Notices.

142. All notices and other documents for the service of which no special mode is directed may be sent by prepaid post letter to the last known address of the person to be served therewith. **Service of notices.**

Formal Defects.

143. (1.) No proceeding in bankruptcy shall be invalidated by any formal defect, or by any irregularity, unless the court before which an objection is made to the proceeding is of opinion that **Formal defect not to invalidat proceedings**

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substantial injustice has been caused by the defect or irregularity, and that the injustice cannot be remedied by any order of that court.

(2.) No defect or irregularity in the appointment or election of a receiver, trustee, or member of a committee of inspection shall vitiate any act done by him in good faith.

Stamp Duty.

Exemption of deeds, &c., from stamp duty.

144. Every deed, conveyance, assignment, surrender, admission, or other assurance relating solely to freehold, leasehold, copyhold, or customary property, or to any mortgage, charge, or other incumbrance on, or any estate, right, or interest in any real or personal property which is part of the estate of any bankrupt, and which, after the execution of the deed, conveyance, assignment, surrender, admission, or other assurance, either at law or in equity, is or remains the estate of the bankrupt or of the trustee under the bankruptcy, and every power of attorney, proxy paper, writ, order, certificate, affidavit, bond, or other instrument or writing relating solely to the property of any bankrupt, or to any proceeding under any bankruptcy, shall be exempt from stamp duty, except in respect of fees under this Act.

Executions.

Sales under executions to be public.

145. Where the sheriff sells the goods of a debtor under an execution for a sum exceeding twenty pounds (including legal incidental expenses), the sale shall, unless the court from which the process issued otherwise orders, be made by public auction, and not by bill of sale or private contract, and shall be publicly advertised by the sheriff on and during three days next preceding the day of sale.

Writ of elegit not to extend to goods.

146. (1.) The sheriff shall not under a writ of eligit deliver the goods of a debtor nor shall a writ of elegit extend to goods.

(2.) No writ of levari facias shall hereafter be issued in any civil proceeding.

Bankrupt Trustee.

Application of Trustee Act to bankruptcy of trustee.

147. Where a bankrupt is a trustee within the Trustee Act, 1850, section thirty-two of that Act shall have effect so as to authorise the appointment of a new trustee in substitution for the bankrupt (whether voluntarily resigning or not), if it appears expedient to do so, and all provisions of that Act, and of any other Act relative thereto, shall have effect accordingly.

Corporations, &c.

Acting of corporations, partners, &c.

148. For all or any of the purposes of this Act a corporation may act by any of its officers authorised in that behalf under the seal of

the corporation, a firm may act by any of its members, and a lunatic may act by his committee or curator bonis.

Construction of former Acts, &c.

149. (1.) Where in any Act of Parliament, instrument, or proceeding passed, executed, or taken before the commencement of this Act mention is made of a commission of bankruptcy or fiat in bankruptcy, the same shall be construed, with reference to the proceedings under a bankruptcy petition, as if a commission of or a fiat in bankruptcy had been actually issued at the time of the presentation of such petition. Construction of Acts mentioning commission of bankruptcy, &c.

(2.) Where by any Act or instrument, reference is made to the Bankruptcy Act, 1869, the Act or instrument shall be construed and have effect as if reference were made therein to the corresponding provisions of this Act.

150. Save as herein provided the provisions of this Act relating to the remedies against the property of a debtor, the priorities of debts, the effect of a composition or scheme of arrangement, and the effect of a discharge shall bind the Crown. Certain provisions to bind the Crown.

151. Nothing in this Act, or in any transfer of jurisdiction effected thereby shall take away or affect any right of audience that any person may have had at the commencement of this Act, and all solicitors or other persons who had the right of audience before the Chief Judge in Bankruptcy shall have the like right of audience in bankruptcy matters in the High Court. Saving for existing rights of audience.

152. Nothing in this Act shall affect the provisions of the Married Women's Property Act, 1882. Married women.

Transitory Provisions.

153. (1.) The existing comptroller in bankruptcy and his officers, clerks, and servants shall not be attached to the Supreme Court, but shall in all respects act under the directions of the Board of Trade. Comptroller of bankruptcy, &c., and their staff.

(2.) The existing official assignee, provisional and official assignee of the estates and effects of insolvent debtors, and receiver of the Insolvent Debtors' Court, together with his staff, the official solicitors and the messenger in bankruptcy, together with his staff, and the accountant in bankruptcy and his staff, and also such other officers and clerks of the London Bankruptcy Court as the Lord Chancellor, with the concurrence of the Board of Trade, may at any time select, shall be transferred to and become officers of the Board of Trade; provided that the Board of Trade, with the concurrence of the Lord Chancellor, may at any time transfer any such officer or clerk from the Board of Trade to the Supreme Court.

(3.) Subject to the provisions of this Act they shall hold their offices by the same tenure and on the same terms and conditions, and be entitled to the same rights in respect of salary and pension as heretofore, and their duties shall, except so far as altered with their own consent, be such as in the opinion of the Board of Trade are analogous to those performed by them at the commencement of this Act.

(4.) On the occurrence, at any time after the passing of this Act, of any vacancy in the office of any of the said persons the Board of Trade may, with the approval of the Treasury, make such arrangement as they think fit, either for the abolition of the office, or for its continuance under modified conditions, and may appoint a fit person to perform the remaining duties thereof, and the person so appointed shall have all the powers and authorities of the person who is at the passing of this Act the holder of such office; and all estates, rights, and effects vested at the time of the vacancy in any such officer shall by virtue of such appointment become vested in the person so appointed, and the like appointment on a vacancy shall be made, and the like vesting shall have effect from time to time as occasion requires; Provided that any person so appointed shall be an officer of the Board of Trade, and shall in all respects act under the directions of the Board of Trade.

(5.) The Board of Trade may, with the approval of the Lord Chancellor, from time to time direct that any duties or functions, not of a judicial character, relating to any bankruptcies, insolvencies, or other proceedings under any Act prior to the Bankruptcy Act, 1869, which were, at the time of the passing of this Act, performed or exercised by registrars of county courts, shall devolve on and be performed by the official receiver, and thereupon all powers and authorities of the registrar, and all estates, rights, and effects vested in the registrar shall become vested in the official receiver.

Power to abolish existing offices.

154. (1.) If the Lord Chancellor is of opinion that any office attached to the London Bankruptcy Court at the passing of this Act is unnecessary, he may, with the concurrence of the Treasury, at any time after the passing of this Act, abolish the office.

(2.) The Treasury may on the petition of any person whose office or employment is abolished by or under this Act, on the commencement of this Act or on any other event, inquire whether any, and if any, what compensation ought to be made to the petitioner, regard being had to the conditions on which his appointment was made, the nature of his office or employment, and the duration of his service; and if they think that his claim to compensation is established, may award to him, out of moneys to be provided by Parliament, such compensation, by annuity or otherwise, as under the circumstances of the case they think just and reasonable.

(3.) The Board of Trade may, under the like conditions and on

the like terms, abolish any of the offices in the last preceding section mentioned.

155. (1.) The Lord Chancellor or Board of Trade may, at any time after the passing of this Act appoint any person whose office is abolished under this Act to some other office under this Act, the duties of which he is in the opinion of the Lord Chancellor or Board competent to perform. Provided that the person so appointed shall during his tenure of the new office receive an amount of annual remuneration which, together with the compensation for the loss of the abolished office, is not less than the emoluments of the abolished office. Performances of new duties by persons whose offices are abolished.

(2.) When, after the commencement of this Act, any officer is continued in the performance of any duties relating to bankruptcy or insolvency, under any previous Act, the Lord Chancellor, or, as the case may be, the Board of Trade may order that such officer may, in addition to such duties, perform any analogous duties under this Act, without being entitled to receive any additional remuneration.

156. Every person appointed to any office or employment under this Act shall in the first instance be selected from the persons (if any) whose office or employment is abolished under this Act, unless in the opinion of the Lord Chancellor, or in the case of persons to be appointed by the Board of Trade, of that Board, none of such persons are fit for such office or employment; Provided that the person so appointed or employed shall during his tenure of the new office be entitled to receive an amount of remuneration which, together with the compensation (if any) for loss of the abolished office, shall be not less than the emolument of the abolished office. Selection of persons from holders of abolished offices.

157. If any person to whom a compensation annuity is granted under this Act accepts any public employment, he shall, during the continuance of that employment, receive only so much (if any) of that annuity as, with the remuneration of that employment, will amount to a sum not exceeding the salary or emoluments in respect of the loss whereof the annuity was awarded, and if the remuneration of that employment is equal to or greater than such salary or emoluments the annuity shall be suspended so long as he receives that remuneration. Acceptance of public employment by annuitant

158. The registrars, clerks, and other persons holding their offices at the passing of this Act who may be continued in their offices, shall, on their retirement therefrom, be allowed such superannuation as they would have been entitled to receive if this Act had not been passed, and they had continued in their offices under the existing Acts. Superannuation of registrars, &c.

Transfer of estates on vacancy of office of trustee in liquidation under the Bankruptcy Act, 1869.

159. In every liquidation by arrangement under the Bankruptcy Act, 1869, pending at the commencement of this Act, if at any time after the commencement of this Act there is no trustee acting in the liquidation by reason of death, or for any other cause, such of the official receivers of bankrupts estates as is appointed by the Board of Trade for that purpose shall become and be the trustee in the liquidation, and the property of the liquidating debtor shall pass to and vest in him accordingly; but this provision shall not prejudice the right of the creditors in the liquidation to appoint a new trustee, in manner directed by the Bankruptcy Act, 1869, or the rules thereunder; and on such appointment the property of the liquidating debtor shall pass to and vest in the new trustee.

The provisions of this Act with respect to the duties and responsibilities of and accounting by a trustee in a bankruptcy under this Act shall apply, as nearly as may be, to a trustee acting under the provisions of this section.

Transfer of outstanding property on close of bankruptcy or liquidation.

160. Where a bankruptcy or liquidation by arrangement under the Bankruptcy Act, 1869, has been or is hereafter closed, any property of the bankrupt or liquidating debtor which vested in the trustee and has not been realised or distributed shall vest in such person as may be appointed by the Board of Trade for that purpose, and he shall thereupon proceed to get in, realise, and distribute the property in like manner and with and subject to the like powers and obligations as far as applicable, as if the bankruptcy or liquidation were continuing, and he were acting as trustee thereunder.

Transfer of estates from registrars of London Court to official receiver.

161. In every bankruptcy under the Bankruptcy Act, 1869, pending at the commencement of this Act, where a registrar of the London Bankruptcy Court or of any county court is or would hereafter but for this enactment become the trustee under the bankruptcy, such of the official receivers of bankrupts estates as may be appointed by the Board of Trade for that purpose shall from and after the commencement of this Act be the trustee in the place of the registrar, and the property of the bankrupt shall pass to and vest in the official receiver accordingly.

Unclaimed Funds or Dividends.

Unclaimed and undistributed dividends or funds under this and former Acts.

162. (1) Where the trustee, under any bankruptcy, composition or scheme pursuant to this Act, shall have under his control any unclaimed dividend which has remained unclaimed for more than six months, or where, after making a final dividend, such trustee shall have in his hands or under his control any unclaimed or undistributed moneys arising from the property of the debtor, he shall forthwith pay the same to the Bankruptcy Estates Account at the Bank of England. The Board of Trade shall furnish him

with a certificate of receipt of the money so paid, which shall be an effectual discharge to him in respect thereof.

(2.) (*a.*) Where, after the passing of this Act, any unclaimed or undistributed funds or dividends in the hands or under the control of any trustee or other person empowered to collect, receive, or distribute any funds or dividends under any Act of Parliament mentioned in the Fourth Schedule, or any petition, resolution, deed, or other proceeding under or in pursuance of any such Act, have remained or remain unclaimed or undistributed for six months after the same became claimable or distributable, or in any other case for two years after the receipt thereof by such trustee or other person, it shall be the duty of such trustee or other person forthwith to pay the same to the Bankruptcy Estates Account at the Bank of England. The Board of Trade shall furnish such trustee or other person with a certificate of receipt of the money so paid, which shall be an effectual discharge to him in respect thereof.

(*b.*) The Board of Trade may at any time order any such trustee or other person to submit to them an account verified by affidavit of the sums received and paid by him under or in pursuance of any such petition, resolution, deed, or other proceeding as aforesaid, and may direct and enforce an audit of the account.

(*c.*) The Board of Trade, with the concurrence of the Treasury, may from time to time appoint a person to collect and get in all such unclaimed or undistributed funds or dividends, and for the purposes of this section any court having jurisdiction in bankruptcy shall have and at the instance of the person so appointed, or of the Board of Trade, may exercise all the powers conferred by this Act with respect to the discovery and realisation of the property of a debtor, and the provisions of Part I. of this Act with respect thereto shall, with any necessary modifications, apply to proceedings under this section.

(3.) The provisions of this section shall not, except as expressly declared herein, deprive any person of any larger or other right or remedy to which he may be entitled against such trustee or other person.

(4.) Any person claiming to be entitled to any moneys paid in to the Bankruptcy Estates Account pursuant to this section, may apply to the Board of Trade for payment to him of the same, and the Board of Trade, if satisfied that the person claiming is entitled, shall make an order for the payment to such person of the sum due.

Any person dissatisfied with the decision of the Board of Trade in respect of his claim may appeal to the High Court.

(5.) The Board of Trade may at any time after the passing of this Act open the account at the Bank of England referred to in this Act as the Bankruptcy Estates Account.

Punishment of Fraudulent Debtors.

Extension of penal provisions of 32 & 33 Vict., c. 62, to petitioning debtors, &c.

163. (1.) Sections eleven and twelve of the Debtors Act, 1869, relating to the punishment of fraudulent debtors and imposing a penalty for absconding with property, shall have effect as if there were substituted therein for the words "if after the presentation of a bankruptcy petition against him," the words, "if after the presentation of a bankruptcy petition by or against him."

(2.) The provisions of the Debtors Act, 1869, as to offences by bankrupts, shall apply to any person, whether a trader or not, in respect of whose estate a receiving order has been made, as if the term "bankrupt" in that Act included a person in respect of whose estate a receiving order had been made.

Power for Court to order prosecution on report of official receiver.

164. Section sixteen of the Debtors Act, 1869, shall be construed and have effect as if the term "a trustee in any bankruptcy" included the official receiver of a bankrupt's estate, and shall apply to offences under this Act as well as to offences under the Debtors Act, 1869.

Power for Court to commit for trial.

165. (1.) Where there is, in the opinion of the Court, ground to believe that the bankrupt or any other person has been guilty of any offence which is by statute made a misdemeanor in cases of bankruptcy, the Court may commit the bankrupt or such other person for trial.

(2.) For the purpose of committing the bankrupt or such other person for trial the Court shall have all the powers of a stipendiary magistrate as to taking depositions, binding over witnesses to appear, admitting the accused to bail, or otherwise.

Nothing in this sub-section shall be construed as derogating from the powers or jurisdiction of the High Court.

Public Prosecutor to act in certain cases

166. Where the Court orders the prosecution of any person for any offence under the Debtors Act, 1869, or Acts amending it, or for any offence arising out of or connected with any bankruptcy proceedings, it shall be the duty of the Director of Public Prosecutions to institute and carry on the prosecution.

Criminal liability after discharge or composition.

167. Where a debtor has been guilty of any criminal offence he shall not be exempt from being proceeded against therefor by reason that he has obtained his discharge or that a composition or scheme of arrangement has been accepted or approved.

Interpretation.

Interpretation of terms.

168. (1.) In this Act, unless the context otherwise requires—

"The Court," means the Court having jurisdiction in bankruptcy under this Act:

"Affidavit" includes statutory declarations, affirmations, and attestations on honour:
"Available act of bankruptcy" means any act of bankruptcy available for a bankruptcy petition at the date of the presentation of the petition on which the receiving order is made:
"Debt provable in bankruptcy" or "provable debt" includes any debt or liability by this Act made provable in bankruptcy:
"Gazetted" means published in the London Gazette:
"General rules" include forms:
"Goods" includes all chattels personal;
"High Court" means Her Majesty's High Court of Justice:
"Local bank" means any bank in or in the neighbourhood of the bankruptcy district in which the proceedings are taken:
"Oath" includes affirmation, statutory declaration, and attestation on honour:
"Ordinary resolution" means a resolution decided by a majority in value of the creditors present, personally or by proxy, at a meeting of creditors and voting on the resolution:
"Person" includes a body of persons corporate or unincorporate:
"Prescribed" means prescribed by general rules within the meaning of this Act:
"Property" includes money, goods, things in action, land, and every description of property, whether real or personal and whether situate in England or elsewhere; also, obligations, easements, and every description of estate, interest and profit, present or future, vested or contingent, arising out of or incident to property as above defined:
"Resolution" means ordinary resolution:
"Secured creditor" means a person holding a mortgage charge or lien on the property of the debtor, or any part thereof, as security for debt due to him from the debtor:
"Schedule" means schedule to this Act:
"Sheriff" includes any officer charged with the execution of a writ or other process:
"Special resolution" means a resolution decided by a majority in number and three-fourths in value of the creditors present, personally or by proxy, at a meeting of creditors and voting on the resolution:
"Treasury" means the Commissioners of Her Majesty's Treasury:
"Trustee" means the trustee in bankruptcy of a debtor's estate.

(2.) The schedules to this Act shall be construed and have effect as part of this Act.

Repeal.

Repeal of enactments.

169. (1.) The enactments described in the Fifth Schedule are hereby repealed as from the commencement of this Act to the extent mentioned in that Schedule.

(2.) The repeal effected by this Act shall not affect—

(*a.*) Anything done or suffered before the commencement of this Act under any enactment repealed by this Act, nor

(*b.*) Any right or privilege acquired, or duty imposed, or liability or disqualification incurred, under any enactment so repealed; nor

(*c.*) Any fine, forfeiture, or other punishment incurred or to be incurred in respect of any offence committed or to be committed against any enactment so repealed; nor

(*d.*) The institution or continuance of any proceeding or other remedy, whether under any enactment so repealed, or otherwise for ascertaining any such liability or disqualification, or enforcing or recovering any such fine, forfeiture, or punishment, as aforesaid.

(3.) Notwithstanding the repeal effected by this Act, the proceedings under any bankruptcy petition, liquidation by arrangement or composition with creditors under the Bankruptcy Act, 1869, pending at the commencment of this Act shall, except so far as any provision of this Act is expressly applied to pending proceedings, continue, and all the provisions of the Bankruptcy Act, 1869, shall, except as aforesaid, apply thereto, as if this Act had not passed.

Proceedings under 32 & 33 Vict., c. 71, ss. 125, 126.

170. After the passing of this Act no composition or liquidation by arrangement under sections 125 and 126 of the Bankruptcy Act, 1869, shall be entered into or allowed without the sanction of the court or registrar having jurisdiction in the matter; such sanction shall not be granted unless the composition or liquidation appears to the court or registrar to be reasonable and calculated to benefit the general body of creditors.

SCHEDULES.

THE FIRST SCHEDULE.

Meetings of Creditors.

1. The first meeting of creditors shall be sommoned for a day not later than fourteen days after the date of the receiving order, unless the Court for any special reason deem it expedient that the meeting be summoned for a later day. Section 15

2. The official receiver shall summon the meeting by giving not less than seven days notice of the time and place thereof in the London Gazette and in a local paper.

3. The official receiver shall also, as soon as practicable, send to each creditor mentioned in the debtor's statement of affairs, a notice of the time and place of the first meeting of creditors, accompanied by a summary of the debtor's statement of affairs, including the causes of his failure, and any observations thereon which the official receiver may think fit to make; but the proceedings at the first meeting shall not be invalidated by reason of any such notice or summary not having been sent or received before the meeting.

4. The meeting shall be held at such place as is in the opinion of the official receiver most convenient for the majority of the creditors.

5 The official receiver or the trustee may at any time summon a meeting of creditors, and shall do so whenever so directed by the Court, or so requested in writing by one fourth in value of the creditors.

6. Meetings subsequent to the first meeting shall be summoned by sending notice of the time and place thereof to each creditor at the address given in his proof, or if he has not proved, at the address given in the debtor's statement of affairs, or at such other address as may be known to the person summoning the meeting.

7. The official receiver, or some person nominated by him shall be the chairman at the first meeting. The chairman at subsequent meetings shall be such person as the meeting by resolution appoint.

8. A person shall not be entitled to vote as a creditor at the first or any other meeting of creditors unless he has duly proved a debt provable in bankruptcy to be due to him from the debtor, and the proof has been duly lodged before the time appointed for the meeting.

9. A creditor shall not vote at any such meeting in respect of any unliquidated or contingent debt, or any debt the value of which is not ascertained.

10. For the purpose of voting, a secured creditor shall unless he surrenders his security, state in his proof the particulars of his security, the date when it was given, and the value at which he assesses it, and shall be entitled to vote only in respect of the balance (if any) due to him, after deducting the value of his security. If he votes in respect of his whole debt he shall be deemed to have surrendered his security unless the Court on application is satisfied that the omission to value the security has arisen from inadvertance.

11. A creditor shall not vote in respect of any debt on or secured by a current bill of exchange or promissory note held by him, unless he is willing to treat the liability to him thereon of every person who is liable thereon antecedently to the debtor, and against whom a receiving order has not been made, as a security in his hands, and to estimate the value thereof, and for the purposes of voting, but not for the purposes of dividend, to deduct it from his proof.

12. It shall be competent to the trustee or to the official receiver, within twenty-eight days after a proof estimating the value of a security as aforesaid has been made use of in voting at any meeting, to require the creditor to give up the security for the benefit of the creditors generally on payment of the value so estimated, with an addition thereto of twenty per centum. Provided, that where a creditor has put a value on such security, he may, at any time before he has been required to give up such security as aforesaid, correct such valuation by a new proof, and deduct such new value from his debt, but in that case such addition of twenty per centum shall not be made if the trustee requires the security to be given up.

13. If a receiving order is made against one partner of a firm, any creditor to whom that partner is indebted jointly with the other partners of the firm, or any of them, may prove his debt for the purpose of voting at any meeting of creditors, and shall be entitled to vote thereat.

14. The chairman of a meeting shall have power to admit or reject a proof for the purpose of voting, but his decision shall be subject to appeal to the Court. If he is in doubt whether the proof of a creditor should be admitted or rejected he shall mark the proof as objected to and shall allow the creditor to vote, subject to the vote being declared invalid in the event of the objection being sustained.

15. A creditor may vote either in person or by proxy.

16. Every instrument of proxy shall be in the prescribed form, and shall be issued by the official receiver, or, after the appointment of a trustee, by the trustee, and every insertion therein shall be in the handwriting of the person giving the proxy.

17. A creditor may give a general proxy to his manager or clerk, or any other person in his regular employment. In such case the instrument of proxy shall state the relation in which the person to act thereunder stands to the creditor.

18. A creditor may give a special proxy to any person to vote at

any specified meeting, or adjournment thereof, for or against any specific resolution, or for or against any specified person as trustee, or member of a committee of inspection.

19. A proxy shall not be used unless it is deposited with the official receiver or trustee before the meeting at which it is to be used.

20. Where it appears to the satisfaction of the Court that any solicitation has been used by or on behalf of a trustee or receiver in obtaining proxies, or in procuring the trusteeship or receivership, except by the direction of a meeting of creditors, the Court shall have power, if it think fit, to order that no remuneration shall be allowed to the person by whom or on whose behalf such solicitation may have been exercised, notwithstanding any resolution of the committee of inspection or of the creditors to the contrary.

21. A creditor may appoint the official receiver of the debtor's estate to act in manner prescribed as his general or special proxy.

22. The chairman of a meeting may, with the consent of the meeting, adjourn the meeting from time to time, and from place to place.

23. A meeting shall not be competent to act for any purpose, except the election of a chairman, the proving of debts, and the adjournment of the meeting, unless there are present, or represented thereat, at least three creditors, or all the creditors if their number does not exceed three.

24. If within half an hour from the time appointed for the meeting a quorum of creditors is not present or represented, the meeting shall be adjourned to the same day in the following week at the same time and place, or to such other day as the chairman may appoint, not being less than seven or more than twenty-one days.

25. The chairman of every meeting shall cause minutes of the proceedings at a meeting to be drawn up, and fairly entered in a book kept for that purpose, and the minutes shall be signed by him or by the chairman of the next ensuing meeting.

26. No person acting either under a general or special proxy shall vote in favour of any resolution which would directly or indirectly place himself, his partner or employer, in a position to receive any remuneration out of the estate of the debtor otherwise than as a creditor rateably with the other creditors of the debtor. Provided that where any person hold special proxies to vote for the appointment of himself as trustee he may use the said proxies and vote accordingly.

Section 39.

THE SECOND SCHEDULE.

Proof of Debts.

Proof in ordinary cases.

1. Every creditor shall prove his debt as soon as may be after the making of a receiving order.

2. A debt may be proved by delivering or sending through the post in a prepaid letter to the official receiver, or, if a trustee has been appointed, to the trustee, an affidavit verifying the debt.

3. The affidavit may be made by the creditor himself, or by some person authorised by or on behalf of the creditor. If made by a person so authorised it shall state his authority and means of knowledge.

4. The affidavit shall contain or refer to a statement of account showing the particulars of the debt, and shall specify the vouchers, if any, by which the same can be substantiated. The official receiver or trustee may at any time call for the production of the vouchers.

5. The affidavit shall state whether the creditor is or is not a secured creditor.

6. A creditor shall bear the cost of proving his debt, unless the Court otherwise specially orders.

7. Every creditor who has lodged a proof shall be entitled to see and examine the proofs of other creditors before the first meeting, and at all reasonable times.

8. A creditor proving his debt shall deduct therefrom all trade discounts, but he shall not be compelled to deduct any discount, not exceeding five per centum on the net amount of his claim, which he may have agreed to allow for payment in cash.

Proof by secured Creditors.

9. If a secured creditor realises his security, he may prove for the balance due to him, after deducting the net amount realised.

10. If a secured creditor surrenders his security to the official receiver or trustee for the general benefit of the creditors, he may prove for his whole debt.

11. If a secured creditor does not either realise or surrender his security, he shall, before ranking for dividend, state in his proof the particulars of his security, the date when it was given, and the value at which he assesses it, and shall be entitled to receive a dividend only in respect of the balance due to him after deducting the value so assessed.

12. (*a*) Where a security is so valued the trustee may at any time redeem it on payment to the creditor of the assessed value.

(*b*.) If the trustee is dissatisfied with the value at which a security is assessed, he may require that the property comprised in any security so valued be offered for sale at such times and on such terms and conditions as may be agreed on between the creditor and the trustee, or as, in default of such agreement, the Court may direct. If the sale be by public auction the creditor, or the trustee on behalf of the estate, may bid or purchase.

(*c*.) Provided that the creditor may at any time, by notice in writing, require the trustee to elect whether he will or will not exercise his power of redeeming the security or requiring it to be realised, and if the trustee does not within six months after receiving the notice, signify in writing to the creditor his election to exercise the power, he shall not be entitled to exercise it; and the equity of redemption, or any other interest in the property comprised in the security which is vested in the trustee, shall vest in the creditor, and the amount of his debt shall be reduced by the amount at which the security has been valued.

13. Where a creditor has so valued his security, he may at any time amend the valuation and proof on showing to the satisfaction of the trustee, or the Court, that the valuation and proof were made bonâ fide on a mistaken estimate, or that the security has diminished or increased in value since its previous valuation; but every such amendment shall be made at the cost of the creditor, and upon such terms as the Court shall order, unless the trustee shall allow the amendment without application to the Court.

14. Where a valuation has been amended in accordance with the foregoing rule, the creditor shall forthwith repay any surplus dividend which he may have received in excess of that to which he would have been entitled on the amended valuation, or, as the case may be, shall be entitled to be paid out of any money for the time being available for dividend any dividend or share of dividend which he may have failed to receive by reason of the inaccuracy of the original valuation, before that money is made applicable to the payment of any future dividend, but he shall not be entitled to disturb the distribution of any dividend declared before the date of the amendment.

15. If a creditor after having valued his security subsequently realises it, or if it is realised under the provisions of Rule 12, the net amount realised shall be substituted for the amount of any valuation previously made by the creditor, and shall be treated in all respects as an amended valuation made by the creditor.

16. If a secured creditor does not comply with the foregoing rules he shall be excluded from all share in any dividend.

17. Subject to the provisions of Rule 12, a creditor shall in no case receive more than twenty shillings in the pound, and interest as provided by this Act.

Proof in respect of Distinct Contracts.

18. If a debtor was at the date of the receiving order liable in respect of distinct contracts as a member of two or more distinct firms or as a sole contractor, and also as a member of a firm, the circumstance that the firms are in whole or in part composed of the same individuals, or that the sole contractor is also one of the joint contractors, shall not prevent proof in respect of the contracts, against the properties respectively liable on the contracts.

Periodical Payments.

19. When any rent or other payment falls due at stated periods, and the receiving order is made at any time other than one of those periods, the person entitled to the rent or payment may prove for a proportionate part thereof up to the date of the order as if the rent or payment grew due from day to day.

Interest.

20. On any debt or sum certain, payable at a certain time or otherwise, whereon interest is not reserved or agreed for, and which is overdue at the date of the receiving order and provable in bankruptcy, the creditor may prove for interest at a rate not exceeding four per centum per annum to the date of the order from the time when the debt or sum was payable, if the debt or sum is payable by virtue of a written instrument at a certain time, and if payable otherwise, then from the time when a demand in writing has been made giving the debtor notice that interest will be claimed from the date of the demand until the time of payment.

Debt payable at a future time.

21. A creditor may prove for a debt not payable when the debtor committed an act of bankruptcy as if it were payable presently, and may receive dividends equally with the other creditors, deducting only thereout a rebate of interest at the rate of five pounds per centum per annum computed from the declaration of a dividend to the time when the debt would have become payable, according to the terms on which it was contracted.

Admission or Rejection of Proofs.

22. The trustee shall examine every proof and the grounds of the debt, and in writing admit or reject it, in whole or in part, or require further evidence in support of it. If he rejects a proof he shall state in writing to the creditor the grounds of the rejection.

23. If the trustee thinks that a proof has been improperly admitted, the Court may, on the application of the trustee, after notice to the creditor who made the proof, expunge the proof or reduce its amount.

24. If a creditor is dissatisfied with the decision of the trustee in respect of a proof, the Court may, on the application of the creditor, reverse or vary the decision.

25. The Court may also expunge or reduce a proof upon the application of a creditor if the trustee declines to interfere in the matter, or, in the case of a composition or scheme, upon the application of the debtor.

26. For the purpose of any of his duties in relation to proofs, the trustee may administer oaths and take affidavits.

27. The official receiver, before the appointment of a trustee, shall have all the powers of a trustee with respect to the examination, admission, and rejection of proofs, and any act or decision of his in relation thereto shall be subject to the like appeal.

THE THIRD SCHEDULE.

Section 96.

List of Metropolitan County Courts.

The Bloomsbury County Court of Middlesex.
The Bow County Court of Middlesex.
The Brompton County Court of Middlesex.
The Clerkenwell County Court of Middlesex.
The Lambeth County Court of Surrey.
The Marylebone County Court of Middlesex.
The Shoreditch County Court of Middlesex.
The Southwark County Court of Surrey.
The Westminster County Court of Middlesex.
The Whitechapel County Court of Middlesex.

THE FOURTH SCHEDULE.

Section 162.

Statutes relating to Unclaimed Dividends.

Session and Chapter.	Title of Act.
7 & 8 Vict., c. 70 -	An Act for facilitating arrangements between debtors and creditors.
12 & 13 Vict., c. 106 -	The Bankruptcy Law Consolidation Act, 1849.
24 & 25 Vict., c. 134 -	The Bankruptcy Act, 1861.
32 & 33 Vict., c. 71 -	The Bankruptcy Act, 1869.

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Section 169.

THE FIFTH SCHEDULE.

Enactments Repealed as to England.

13 Edw. I, c. 18. in part.	The statutes of Westminster the Second, chapter eighteen, Execution either by levying of the lands and goods, or by delivery of goods and half the land; at the choice of the creditor: in part; namely, the words "all the chattels of the debtor saving only his oxen and beasts of the plough, and"
32 & 33 Vict., c. 62. in part.	The Debtor's Act, 1869. in part; namely, Sub-section (*b*) of section five, and Sections twenty-one and twenty-two.
32 & 33 Vict., c. 71.	The Bankruptcy Act, 1869.
32 & 33 Vict., c. 83. in part.	The Bankruptcy Repeal and Insolvent Court Act, 1869. in part; namely, Section nineteen.
33 & 34 Vict., c. 76.	The Absconding Debtors Act, 1870.
34 & 35 Vict., c. 50.	The Bankruptcy Disqualification Act, 1871. Except sections six, seven, and eight.
38 & 39 Vict., c. 77. in part.	The Supreme Court of Judicature Act, 1875. in part; namely, Sections nine and thirty-two.

VOL. IV. PART IX.

The Institute of Bankers.

NOVEMBER, 1883.

THE First Meeting of the Sixth Session of the Institute was held at the London Institution, Finsbury Circus, on Wednesday evening, October 17th.

RICHARD B. MARTIN, Esq., M.P., President, in the Chair.

The PRESIDENT: As this is the first time that I have taken the Chair here in virtue of the office to which you have been good enough to elect me, I have to thank you for the honour you have conferred upon me. Before I call upon M. Chevassus to read his Paper, I think one or two items of detail concerning the position of the Institute may be of interest to you. Since this time last year the number of Fellows has increased from 357 to 371, and the number of Associates from 475 to 503, this being the first time since the Institute was founded that the number has exceeded 500. The Ordinary Members show a slight falling off, namely, from 903 to 895. This is accounted for partly by the fact that a certain number of Members have become Associates, and I shall be glad to see a falling off in Ordinary Members continue if it leads to an increase in the number of Associates. There have been one or two points of considerable interest that have taken place during the last few months of the past year, the principal one being one in connection with which much has taken place in this room, namely, the passing of the Bankruptcy Bill into an Act of Parliament. It is with peculiar satisfaction we can look back upon this, inasmuch as Mr. Chalmers, who drew the Bills of Exchange Act, and who is well known to us, also drafted the Bankruptcy Act; and its administration is entrusted to Mr. John Smith, who has on more than one occasion read papers before us. This shows that the Government have attached some importance to the views of this Institute, and the able way in which they have been advocated and put forward by your late excellent President, Sir John Lubbock, has given to those views the weight they fully deserve. I think we may be very well satisfied with the position which this Institute has taken up with reference to that Act. Mr. Chalmers will read a paper on the subject in November, I hope, and after that time we may trust that the Bankruptcy Act will pass into history, at all events for a number of years to come. The Bills of Exchange Act, which was also due in a great measure to the views of this Institute, has been now in operation for

over a year, and the experience we have derived from that fully justifies the view that we took, namely, that it was a modest, but at the same time a most useful piece of legislation. A very important subject occupied the attention of the public during the past year, and that was the question of Gold Coinage. I think we shall hear more of that subject during the coming session. It was clearly pointed out that it was a great mistake to suppose that in any alteration or adaptation of the coinage to bring it within the strict legal weight, the loss that would be involved would fall upon the bankers. I think it was clearly shown that the loss will remain with the public, and it then remains with the public, through the Government and the Chancellor of the Exchequer, to remedy that loss as best they can. It is a subject which is growing in importance day by day, and we have reason to believe it is attracting the attention of the Government. We can only hope the prosperity of the revenue may be such as to induce the Chancellor of the Exchequer to grapple with the question before long, at least before it gets into such a state as to make our coinage a disgrace to the country. I think it is a subject of so great importance that I have no hesitation in alluding to it here. For the coming session we have arranged for papers which we hope will keep up the standard of excellence and interest which we have been so long accustomed to enjoy. We hope, as I said before, to have one from Mr. Chalmers on "The Bankruptcy Act"; one from Mr. Burdett, Secretary of the Stock Exchange, on "Local and Municipal Loans"; and one from Dr. Evans, the author of "£ *s. d.*" We hope he will give us a paper on "Token Money," which is of archæological interest to all of us, and we also expect that Mr. Giffin, President of the Statistical Society, will kindly find time to give us a paper. There is one subject which has come up within the last few weeks, and is now occupying much public attention, to which, a month ago, I should not have thought of alluding, and that is, the liability of bankers as to the safety of securities deposited with them for safe keeping. There has not been time to do so yet, but the question whether and in what way the Institute can aid in bringing about a better understanding on the many important points which are involved in the subject, has not been lost sight of. There are also several matters of less importance which I need not now enumerate, but which, with the weightier questions to which I have alluded, will require, and I am sure will receive the careful consideration of the Institute. Before, however, proceeding to the business of the evening, I think I may ask the meeting to go a little further in what I said about Mr. Smith, and pass a vote of congratulation to him on his appointment. He has been so much associated with you in the bankruptcy discussions, that I feel sure it will be pleasing to him to receive such a resolution from the Institute.

This was passed with acclamation, and M. CHEVASSUS then proceeded to read his paper.

The Institute of Bankers.

RICHARD B. MARTIN, Esq., M.P., President, in the Chair.

THE HISTORY AND PRACTICE OF BANKING IN FRANCE WITHIN THE LAST THIRTY-FIVE YEARS.

By HENRY CHEVASSUS, Fellow of the Institute.

[Read before the Bankers' Institute, Wednesday, Oct. 17th, 1883.]

I.

SOME thirty-five years ago, at the beginning of the year 1848, the highly wrought and widely distributed machinery of banking, now in active operation throughout France, ministering to the manifold requirements of the community, may be said to have had no existence. The banker's craft was still a mystery, of which the adepts were few, while the inner functions of its temples were jealously guarded from the vulgar gaze. Nor were either the state of the law or the economic habits and inclinations of the country such as to favour its popularisation. The formation of companies, whether for banking or other purposes, was beset with complicated restrictive formalities. The aggregation of innumerable scattered portions of capital into a compact mass, with the limited liability principle of our days, as a regulating counterforce, was practically unknown. Hoarding, in the form of hard cash, stowed away in old escritoires and all manner of whimsical receptacles, was still the favourite mode of accumulation with the small farming landowner, whose sole idea of an investment was centered in the acquisition of some adjoining field, or tempting vineyard, to round off his holding, or improve his yearly rendering. To achieve this, he went on filling the familiar woollen stocking, until such time as he could count out its contents in piles of broad pieces on the table of the local "notaire," and make good the long contemplated purchase. A kindred feeling led the cautious and well-to-do *bourgeois*—the successful middle-class man—rather to look to mortgages on real estate, as a means of securing remuneration for his years of patient scraping, and somewhat stingy self-denial in acquiring a competency. As to the larger manipulations of capital, such as the floating of state loans, the financing of railways—at the time still in the early stage of their organisation—as well as the more considerable operations of commerce, mining, and manufactures, they were exclusively in the hands of a small number of wealthy private bankers. In the

furthering of such profitable ventures, these privileged firms, whose fortunes had, for the most part, seen their birth and growth within the previous fifty years, employed their own monies, concurrently with the funds entrusted to their skill, out of the surviving fortunes of the old nobility, or by opulent public functionaries. Apart from these pre-eminent firms, there was to be found, in Paris and all over the country, a comparatively large number of private bankers, of fair substance, and whose custom lay among what merchants and manufacturers of good standing might exist in their own immediate neighbourhood. As regards the common ruck of business toilers, for such banking as they wanted, they were in the hands of multifarious discounting money dealers, generally of unknown means, whose methods of business were almost invariably exacting and often merciless. Even the more honourable and substantial among these petty traders in ready cash were, in these days, continually tempted, by the common ignorance of the simplest monetary calculations, and the lack of effective competition, into heaping up commissions and fancy charges, on every trifling provocation, in or out of the regular course.

In the year 1848, however, there began a new departure in banking. We may divide the thirty-five years that separate us from that date into two periods: a first one of some twenty years' duration, viz., 1848-67, and a second one 1868–82. The various stages of the development of banking, during the first period, are broadly marked by the creation of the Comptoir d'Escompte in the year 1848 itself; by the absorption, in the same year, by the Bank of France, of the nine Banques Départementales (Provincial banks) previously in existence; by the creation of the Crédit Foncier, and of the Crédit Mobilier, both in the year 1852; by the law of 1857, which, while it extended the privilege of the Bank of France until 1897, put upon it the obligation of providing at least one branch in each Department throughout the country; by the foundation of the Crédit Lyonnais in 1863, and of the Société Générale in 1864; as also by the law of 1867, which, for the first time, and in a very considerable degree, established freedom of banking, inasmuch as it gave scope, in a measure hitherto unknown, to the formation of share capital, under the limited liability principle.

Among the many occurrences symptomatic of the gradual unfolding of the evolution thus roughly mapped out, and on a rapid survey of the various causes by which this evolution was influenced, we may notice the monopolisation of bank note issues by the Bank of France; the practical inauguration of a gold currency, rendered feasible by Australian, closely following on Californian discoveries; the enactment of the law of 1856 on public companies: a restrictive law prompted by panic, contingent upon too rash an outburst of joint stock enterprise and speculation, yet showing how keenly alive people were becoming to the importance of the question; the new policy, with regard to State loans, of direct subscriptions to the Treasury, in sums as low as a hundred francs, thus appealing to small investors, and inducing them to relax their habits of parsimonious secretion of capital; lastly, the treaty of commerce of 1860 with Great Britain,

which gave an unwonted impulse to commercial energy, and broke new ground for financial ingenuity to seize upon.

I do not for a moment wish to convey the impression that, previous to 1848, nothing had been attempted to establish improved methods of banking. Far from such had been the case; combinations in every variety had found promoters and pioneers; but the fact remains, that before that year, and barring the Bank of France, no banking institution of the first class succeeded in founding itself; that none of an earlier date has lived to this day; that the wealthy private bankers had the unchallenged control of every important branch of finance; that the public mind was timorous in these matters and little prone to innovation.

Obviously, then, public banking is a salient feature of the development under study here, and it becomes at once apparent why I just now made choice, besides the Bank of France, of the Comptoir d'Escompte, the Crédit Foncier, the Crédit Lyonnais, and the Société Générale as landmarks of the ground to be gone over to-night. If we take into account the importance of the capital they collectively command, the enormously expanded volume and the diversity of their transactions, we have in them the embodiment of the evolution that took place during the period of twenty years under immediate consideration. And if we also include, in the list, the Crédit Mobilier, which I here mention separately for good reasons, and likewise bear in mind the increment of strength achieved meanwhile by the Bank of France, we shall find we have covered pretty nearly the whole field of banking operations, from the simplest deposit transaction to the most complicated combinations within the power of capital. We have, moreover, also before us in instructive parallel operation, and in keen competition not only with each other, but with private banking, two distinct systems of public banking: the one which looks to Government instigation and countenance, if not actual material support for its origin and advancement, and that which is the outcome of free enterprise. It does not, however, come within the scheme of this paper to theorise at any length, and our limits bid us be content with this somewhat cursive sketch of the aspect of our subject at the time I have chosen as a starting-point and twenty years later.

II.

We may, then, at once, enter upon the second period, that of 1868-82, during which the institutions that found birth within the first period attained their manhood, and gave proof of their strength, and of the prominent part they were able to play in the general economy of the country. Nor can this be better made manifest at a glance, or more vividly illustrated, than by the subjoined statement, to which I now call your attention, wherein are tabulated various statistics, brought down to the present year, of some of the principal existing public banks, showing the dates of their foundation, their original and present share capital, the highest deposit amount attained, the number of branches, and certain other apposite particulars.

	Date of Foundation.	Original Capital.	Present Capital.	Number of Shares.
Bank of France	1800	Frs. 30,000,000 £1,200,000	Frs. 182,500,000 £7,300,000	182,500
Comptoir d'Escompte ...	1848	Frs. 20,000,000 £800,000	Frs. 80,000,000 £3,200,000	160,000
Crédit Foncier	1852	Frs. 25,000,000 £1,000,000	Frs. 155,000,000 £3,200,000	310,000
Crédit Industriel et Commercial	1859	Frs. 40,000,000 £1,600,000	Frs. 60,000,000 £2,400,000	120,000
Crédit Lyonnais	1863	Frs. 20,000,000 £800,000	Frs. 200,000,000 £8,000,000	400,000
Société de Depôts et Comptes-Courants	1863	Frs. 60,000,000 £2,400,000	Frs. 80,000,000 £3,200,000	160,000
Société Générale *g*	1864	Frs. 120,000,000 £4,800,000	Unchanged.	240,000
Société Lyonnaise de Dépôts et Comptes-Courants ...	1865	Frs. 20,000,000 £800,000	Frs. 50,000,000 £2,000,000	100,000
Société Marseillaise de Crédit Industriel et Commercial	1865	Frs. 20,000,000 £800,000	Frs. 60,000,000 £2,400,000	120,000
Banque de Paris et de Pays-Bas	1872	Frs.* 125,000,000 £5,000,000	Frs.† 62,500,000 £2,500,000	* 125,000 † 125,000
Banque d'Escompte de Paris.	1878	Frs. 50,000,000 £2,000,000	Frs. 100,000,000 £4,000,000	200,000

a The figures given are for deposits proper. Most of the establishments hold, over and above these, creditor balances in current account, forming an aggregate of several hundred millions of francs. The Bank of France not allowing any interest, this distinction does not apply to it, all balances being practically at call.

b Highest, at present paid-up share amount, centimes omitted.

c The 52 applies to sub-offices for the collection of bills payable in the so-called "*villes rattachées*," where the Bank of France has no regular Branch.

d Including Central Office.

HIGHEST POINTS SINCE FOUNDATION.

Denomination.	Paid up.	Deposits. *a*	Dividend per Share. *b*	Number of accounts open in books.	Branches.		
					Paris. *d*	Provincial.	Foreign.
Frs. 1,000 A	In full.	Frs. 1,004,400,000 £40,176,000 (*vide* p. 6)	Frs. 360	7,843	9	94 52 *c*	—
Frs. 500 B	do.	Frs. 121,755,000 £4,870,200	Frs. 48	not stated.	1	3	5*e*
Frs. 500 A	do.	Frs. 78,193,000*f* £3,127,720	Frs. 55	13,689	1	—	—
Frs. 500 A	Frs. 125	Frs. 53,762,000 £2,150,480	Frs. 24	10,190	8	—	—
Frs. 500 B	Frs. 250	Frs. 304,000,000 £12,160,000	Frs. 35	66,434	35	65	8
Frs. 500 A	Frs. 125	Frs. 64,000,000 £2,560,000	Frs. 16	18,909	1	—	—
Frs. 500 B	Frs. 250	Frs. 287,000,000 £11,480,000	Frs. 32	46,354	45	131	1
Frs. 500 A	Frs. 125	Frs. 69,000,000 £2,560,000	Frs. 15	not stated.	—	1	—
Frs. 500 A	Frs. 125	Frs. 34,000,000 £1,360,000	Frs. 16	not stated.	1	1	—
*Frs. 1,000 B †Frs. 500 „	*Frs. 500 † In full.	Receives no deposits.	Frs. 60	not stated.	1	—	3
Frs. 500 A	Frs. 125	Frs. 24,646,000 £985,840	Frs. 31	not stated.	1	—	—

A—Inscribed. B—Bearer.

e The Comptoir d'Escompte has, also, direct representatives in Sydney, Hankow, Hong-Kong, Foochow, and Yokohama.

f The Crédit Foncier is restricted by its statutes to Frs. 80,000,000 deposits.

g The full style of the Société Générale is "Société Générale pour favoriser le développement du Commerce et de l'Industrie en France."—(*Vide* p. 18.)

As may be seen, and will, doubtless, have been anticipated from what I have already said, none of these establishments, with the exception of the Bank of France, date back further than 1848. Indeed, even the Bank of France, which now transacts business for the public in 156 different towns, besides the head office and eight district offices in Paris itself, had then only fourteen provincial branches. Its cash and bullion did not, at any time during that year, exceed ten millions sterling, against a maximum note circulation of sixteen millions. The deposits in current account seldom went beyond some four millions sterling, and the advances on stock a bare million sterling.

The Bank capital was only £2,720,000.

In 1882 we find:—

Capital of the Bank	£7,300,000	Frs. 182,500,000
Highest point, Deposits, not including Government Deposits, February 4th ...	£40,176,000	Frs. 1,004,400,000
Highest point, Discounts, February 7th	£68,960,000	Frs. 1,724,000,000
Highest point, Cash and Bullion, August 17th	£86,324,000	Frs. 2,158,100,000
Highest point, Note Circulation, January 30th	£118,133,048	Frs. 2,953,326,200
Highest point, Advances on Stock, February 4th	£15,176,000	Frs. 376,900,000

We also find that the ten establishments, other than the Bank of France, tabulated here, have a united share capital and liability of 967,500,000 francs, out of which 545,000,000 francs constitute the paid up portion; besides commanding very large reserves.

Before proceeding, however, with a short analysis I propose to make, of some of these establishments, and of the chief differences in their objects and modes of action, we ought to take a glance at the laws which govern their legal status. Previous to the law of 1856, already alluded to, companies with a share capital were not under a special law of their own. They came under the provisions of the Code of Commerce of 1807, which recognized two forms of joint stock enterprise, viz., "commandite"—sleeping partnership—associations, and so-called "anonymous" companies. "Commandite" associations could be freely formed; none but the partners, however, whose names appeared in the style of the firm, were allowed to have a share in the management, any interference of the shareholders, however slight, being sufficient to forfeit the limit of their liability to third parties. Anonymous companies, on the other hand, required previous authorization from the State, and this was seldom granted otherwise than for undertakings which might be considered of general public utility. The managers' names did not appear in the style of the firm, and they were responsible to the shareholders only. After 1830, a

large number of commandite associations sprung up and gave rise to reckless speculation, so that in 1838 a bill was actually brought forward entirely prohibiting "commandite" by shares. This, it was felt, was going to extremes, and the whole thing blew over without the bill becoming law.

In 1856, for the first time, and here again under the influence of panic, a law, special to share companies, was passed. Very heavy responsibilities were put upon promoters, managers and censors. It being soon found that these, while they precluded prudent men from readily entering upon joint stock partnerships, proved no obstacle to unscrupulous adventurers, an attempt, in the opposite direction, was made by the law of 1863. In this, practical recognition was given to the danger, not to say worthlessness, of a preliminary state investigation, which, as often as not, conferred upon authorized undertakings an illusory prestige, and gave rise to expectations on the part of investors, which after results did not, by any means, as often justify. The law of 1867, under which companies are now formed, embodied most clauses of that of 1863, and went somewhat further in abolishing perfunctory protective restrictions. The guiding principles of its enactments, was the providing certain regulations for the formation of companies, and the putting, upon promoters and shareholders, the task and responsibility of seeing that they were complied with in the statutes of their society.

The following are some of the most prominent provisions :—

Companies are not permitted to divide their capital into shares of less than 100 francs, if the said capital does not exceed 200,000 francs, or less than 500 francs, if above 200,000 francs.

They have no definite legal existence until the whole of their capital has been subscribed, nor until all the shares are a quarter paid up. Nor are shares negotiable until then. The statutes of companies may provide for the transformation of their shares into bearer shares, after they are half paid up. Original subscribers, as well as all intermediate holders before they are half paid up, remain liable for the full nominal amount of their shares, even after parting with them, for two years subsequent to any general meeting which may have been called for transforming them into bearer shares, or to decide their remaining inscribed shares.

Seven subscribers are a minimum required to form a company.

The invalidity of companies, on the ground of non-compliance with the law in their statutes, is no plea towards third parties, but may serve as a ground of action by the shareholders against the promoters and Board.

Members of the Board of Directors are answerable, conformably to the rules of common law, individually or jointly, according to cases, both to the shareholders or to third parties, for infractions to the clauses of the act, or for faulty management, notably in distributing, or allowing to be distributed, fictitious dividends.

Since the "*Krach*" in January, 1882, many and loud have been the complaints against the law of 1867; and there is, at the present moment, a bill pending for its reform. To a cool-minded and disinterested observer, there does not appear to be among the plethora of suggestions made, any to which much originality could be ascribed, or that could prevent the recurrence of last year's collapse. Teaching intending investors to investigate, and soberly to appreciate, the soundness of any particular venture, or curing them of blind and greedy belief in golden promises of fat dividends, hardly comes within the ken of the law, and, pretty certainly, not within its power.

III.

Coming now to our proposed examination of the leading features and interdistinguishing characteristics of the chief banking establishments in France, we will, as in courtesy bound, go back to the Bank of France. The Bank, itself, divides its operations into two classes; the one consisting of transactions on behalf of its permanent customers, that is, people keeping a regular account there; and the other, of transactions with the public generally. Not, be it understood, that the Bank actually has two distinct departments corresponding to such a division. What is meant here, and should at once be noted, as a peculiarity of French public banking, common, in a greater or lesser degree, to all the large establishments, is, that any one having certain occasional money matters to adjust, is able to avail himself of the machinery of the Bank, for the nonce, although having no account open there. Another point, which also calls for immediate remark, and may, perhaps, come somewhat unexpectedly upon my hearers, is, that the Bank of France carries on its business with its customers far more nearly in accordance with the practice of the London banks, than does any other French establishment. Almost everything is done through pass books. All vouchers are returned to customers. No interest on balances is either charged or allowed. The net of discounts or loans alone appears. No elaborate statement of account is ever rendered, nor does the Bank make it, in any way, an obligation to keep a balance, here differing, on an important point, from English Banks. The one great impediment which the Bank has always placed in the way of a ready appeal to the most important of its primary functions, viz., the discounting of trade bills, resides in the much attacked regulation by which it declines to accept direct endorsements to itself; a first endorsement to third parties being a *sine quâ non*. This, the well-known rule of the three signatures, the Bank has never veritably compounded with; although it has, exceptionally, notably in 1848, in virtue of a special decree, admitted, what were, practically, warrants of merchandize, as security for the lack of a third signature. At the present day, it likewise dispenses with it, on certain approved stocks being deposited in guarantee.

On the other hand, the Bank offers considerable working facilities in its *modus operandi.* Not only does it furnish its customers with cheque-books for drawing upon the bank in the ordinary way—these are called direct cheques, and are violet coloured—but also with special books of red coloured cheques, so-called *bons de virements rouges*, the object of which is to enable payments to be made by their means, to other persons also having an account at the Bank; without it being possible for any one unlawfully to obtain value of the same, since they only operate as orders to the Bank to transfer such an amount from the drawer's account to some other account in the Bank books, and never as vouchers for the withdrawal of funds from the establishment. A third kind, again, is supplied; these are indirect cheques, pink coloured, and are available to draw on other branches of the Bank than that where the account is open. For this purpose the drawer gets them marked at his branch. He is thus enabled to transform his own cheques into what practically become banker's drafts, a charge of half per cent. being made to him for this, unless the amount drawn for be not higher than the amount the Bank may have discounted for him during the previous five days; in which case the marking is free. Indeed, he may, even if he has already drawn out the whole amount of the said discounts, still transfer an equal amount in pink cheques, *franco*, by paying in that amount to his own account.

As regards its rate of discount, the Bank (as the statement on page 478 will show) has always striven to give it a fixity, which, however arbitrary it may appear, as applied to so shifting a factor as the value of ready money, has, unquestionably, been of considerable advantage to the bulk of traders throughout the country, inasmuch as it relieves them of a not unimportant element of uncertainty in their daily adjustments between buying and selling.

20 Years, 1862-83 = 7,305 Days.

Bank of France.			Bank of England.		
Rate.	Number of days to each Rate.	Number of times each Rate has prevailed.	Rate.	Number of days to each Rate.	Number of times each Rate has prevailed.
2	722	2	2	1,273	7
2½	1,340	2	2¼	28	1
3	1,084	5	2½	780	13
3½	810	7	3	1,629	30
4	1,157	12	3½	671	23
4½	168	5	4	1,012	35
5	1,110	9	4½	179	10
5½	10	1	5	671	23
6	665	8	5½	21	2
7	207	6	6	452	18
8	32	2	7	228	15
...	...	...	8	174	11
...	...	...	9	91	4
...	...	...	10	96	1
	7,305	59		7,305	193

	Bank of France.	Bank of England.
Greatest number of consecutive days at one rate	31st May, 1867, to 18th July, 1870. 2½ %, 1,144 days	25th July, 1867, to 19th Nov., 1868. 2 %, 482 days
Greatest number of variations of rates in one year	1864. 12	1873. 25
Greatest range of rates in one year	1863. 3½ % to 7 % 1864. 4½ % to 8 %	1866. 3½ % to 10 %
Average rate for whole period ...	3·77 %.	3·77 %

The Bank of France rate, unlike the Bank rate here, is not merely an official *minimum*, more or less binding upon the Bank itself, but an absolute percentage, which it invariably applies to all its customers, regardless of any distinction between them, with no abatement whatever, nor indirect augmentation, whether in the shape of commission or otherwise. Firms with a large command of credit do contrive to maintain an outside market, where cheaper terms may prevail. The Bank rate is, however, at all times an effective rate to a far greater degree than is the case for the English rate; and the Bank of France consequently does a very large discount business both in Paris and in the Departments. Its importance is sufficiently demonstrated by the highest point attained and already quoted for 1882, some £70,000,000, while some idea of the ground covered by the Bank may be gathered from a mere inspection of the *number* of bills handed in for discount in Paris in the same year, viz., 4,927,024, of the total value of 5,139,436,499 fcs. 52 centimes giving an average amount per bill of 1,043 fcs.—under £42. Out of this gross number of almost five million bills, 1,224,326 were not higher than 100 fcs.; 6,742 being as low, or lower, than 10 frcs.

The opening of an account at the Bank necessitates an introduction by two sponsors, themselves having an account there. The account may either be a simple deposit and drawing account, or it may be a discount account, or, again, it may be fed by the negotiation of advances on selected stocks.

For the general public, the Bank transacts the following operations:—

It receives, deposits not under 5,000 francs in Paris, or 2,000 francs in the country, and against them gives receipts to order, on presentation of which, the same may at once be drawn out again, no interest being allowed, nor commission charged.

It receives, for safe keeping, all stock, home or foreign, and undertakes the cashing of coupons, and all kindred formalities. It issues drafts to order, not under 50 francs, on any of its branches.

It makes advances on stock, with a margin of 20 per cent. on French Rentes, and Treasury Bonds, and 25 per cent. on railway debentures, corporation loans, and similar securities. The rate on advances has of late years been from ½ per cent. to 1 per cent. above the Bank rate. Formerly, it was identical with it.

To the special privileges of the Bank of France, consequen ton its position as a State bank, we are bound to devote some consideration. On being closely scanned, these will appear to be neither so many nor so formidable, as is generally assumed. They certainly have not impeded, in recent times, the rapid progress of formidable rivals in practically every branch of the Bank's business.

Originally founded in the year 1800, as a free company, the law of 1803 gave the Bank the stamp of a State institution, by drawing up a set of rules for its management, and conferring upon it the

exclusive right of issuing notes in Paris. These rules underwent a first emendation in 1806; the post of Governor of the Bank, as a government nominee, being then created. They were further amended and consolidated in 1808, into what are known as the fundamental statutes (Statuts Fondamentaux) of the Bank. The Bank Council was, by the law of 1803, not since altered in this particular, made to consist of fifteen regents, under the control of three censors. Five of the regents and the three censors must be manufacturers or merchants, chosen among the shareholders. The law of 1806 farther ordained that three of the regents must be Receivers-general of the Treasury. The most important of the Bank's privileges, its exclusive right of issue, limited at first to Paris, as we have seen, was extended in 1841 to all towns where the Bank should establish a branch. In 1848, however, the absorption, by the Bank, of the nine "Banques Départementales," then in existence, practically abolished all note issues other than those of the Bank of France. In 1848 also, and for the first time in the history of the Bank, its notes were made a forced currency. This occurred a second time in 1870, almost immediately on the breaking out of the war with Germany. A distinction of some importance has to be drawn between the way in which the first period of suspension in the reimbursement of the notes, began and ended, and the course followed for the second.

In 1848, on the 15th of March, a decree of the Provisional Government of the Republic declared:

Firstly: that the notes of the Bank would, from that date, be legal tender.

Secondly: that the Bank was relieved, until further order, of the obligation to give cash for its notes.

Thirdly: that the total issues of the Bank, and its branches, should not go beyond 350 millions of francs (this limit was increased in December, 1849, to 525 millions, in consequence of the Bank having taken over the country issues).

This first period of forced currency terminated in August 1850, by the repeal of the three clauses enumerated. The Bank was again free to issue notes to an unlimited amount, subject to paying cash for them on demand, and the public were at liberty to accept or refuse any notes at all.

On the 12th of August, 1870, a decree signed by the Empress Regent, inaugurated a second period of forced currency; and did so in almost similar terms to those of the decree of March, 1848. The limit of issue was placed at 1,800 millions of francs; increased to 2,400 millions on the 12th of the same month; and successively raised by the Government of the Republic, to 2,800 millions on the 29th of December, 1871, and to 3,200 millions on the 15th of July, 1872. But, and here we come to the distinction I wish to bring out, this second period, contrarily to the course adopted in 1850, was not put an end to, by a repeal, pure and simple, of the decree that gave it a

commencement. No fixed date was at any time appointed for its termination. A finance law of August, 1875, merely provided that whenever the advances made by the Bank to the State, consequent on the gigantic war expenditure of 1870-1, were reduced to 300 millions of francs, the Bank would once more be under obligation to pay cash for its notes. This came to pass on the 31st of December, 1877; and since the first of January, 1878, Bank of France notes have ceased to be a forced currency; but they continue to be legal tender, similar in this respect to Bank of England notes, while the limit of issue remains at 3,200 millions of francs; here, on the contrary, differing from the latter, in their amonnt being within the discretion of the Bank council, up to a given maximum, instead of being made dependent on the movements of the gold reserve.

It will seem paradoxical in view of a note circulation of 525,000,000 of francs in 1849, augmented to six times that amount at the present day, to say that the question of note issues, and the exclusive privilege thereof, has lost it importance in France, and yet this is no unwarrantable assertion.

Formerly, no subject was more keenly, I may say more acrimoniously, debated. All social reformers, all transcendental financialists, and many practical men tried their hands at it. Banks of circulation, considered in every variety of Utopian combination, were looked upon as the Gordian knot of practical economics; the untying of which was made to appear as the indispensable preliminary to a more or less vague regeneration of the body politic. The scythe of time may be said to have cut the Gordian knot. The Bank holds, at present, a bullion reserve of over 80 millions sterling, being, in round numbers, two-thirds of the authorised issue. There remains then a further 48 millions—never fully issued—backed up by the various Bank reserves; the Bank's bill case having, even in the most difficult phases of it existence, proved a substantial and effective guarantee for the deposits. We are then justified in looking upon the note circulation of the present day as the outcome of public requirements and convenience, and not of any mistaken notion that they are anything more than particularly trustworthy promissory notes. Be this as it may, certain it is, that no scheme would receive countenance that would tend to free competition of issues, or could weaken the confidence placed in Bank of France notes; a confidence mainly resulting from their being no possible confusion as to their origin, or the nature of the security they rest upon.*

*The Bank of France, be it remembered, may reimburse its notes either in gold or silver. Without entering upon controversial ground, foreign to our subject, it is worthy of remark that the option thus at the command of the Bank has recently greatly helped it to maintain a 3 per cent. rate against a 4 per cent. Bank of England rate, notwithstanding the rise in the exchange; the Bank of France being absolutely at liberty to give or withhold gold, so long as it has silver wherewith to cash its notes.

With the other privileges of the Bank, we may deal very briefly The law in France recognizes two maxima rates of interest; the legal rate with a maximum of 5 per cent., and the commercial rate with a maximum of 6 per cent.: a somewhat subtle and roundabout distinction. The Bank was allowed, by the law of the 9th of June, 1857, which extended its various privileges to the 31st December, 1897, to charge a higher rate than 6 per cent.; subject, however, to a proviso, that whatever profit was due to the surcharge would go to a special reserve. This reserve, which appears in the weekly return under the heading "Profits in addition to Capital," does not, up to this day, more than barely exceed eight millions of francs, £320,000: showing that the Bank has seldom turned to account the latitude accorded it. As to the outside establishments and private bankers, they flank the difficulty by means of their uncontested practice of added commissions.

The Bank of France is the banker of the State. Its functions in this respect consist in little more than keeping the Treasury balances. French Rentes, at one period payable through the Bank, are now like other Government payments, effected by the Treasury itself. Contrary to its practice with private deposits, the Bank has to allow the State, interest on its balances. This interest is not to exceed 3 per cent., but practically does not fall any lower. Special loans and advances to the Treasury have invariably been matter for correspondingly special arrangements. It was a matter, of course, that the State should apply to the Bank in such cases, nor is it generally questioned that no other institution could have carried them out with less general financial disturbance, or for a smaller profit. Between the 18th of July, 1870, and the 10th of June, 1871, the Bank advanced to the State 1,230 millions of francs; the law of July 3rd, 1871, which made provision for the settlement of these advances, actually dealing with 1,530 millions.

Concerning the obligations put upon the Bank in contradistinction to its privileges, it is unnecessary to do more than recur to that previously alluded to, of establishing at least one branch in every Department. It is not uninstructive to note with regard to this, that for the year 1882, and for the first time, all branches of the Bank without exception showed a profit. This satisfactory symptom of the general soundness of the country's business, is made the more striking if we go back to the year 1817, when, on the application of the Bank council itself, Louis XVIII. authorized the closing of the branches opened at Lyons and Rouen in 1808; the application being grounded on "the want of usage and utility of these institutions for the towns in which they exist, and on the expenses they cause to the Bank, without yielding it any profit to cover the same."

I have not found it possible to devote a less space to the Bank of France. The considerable part it plays in French financial economy forbade my doing so. The Bank has frequently been charged with red-tapeism and want of regard for public requirements, with official

sloth and hostility to improvement. Much of this criticism has now disappeared, the Bank having, under a first impulse given it by one of its latter governors, and which his successors have concurred in keeping alive, done much to make itself largely accessible. It has copied some of the improvements of its free rivals, and in some instances has set them an example to which the spirit of competition has not been slow of response.

IV.

We now proceed to a review, perforce far more concise, of outside establishments. First in chronological order, and perhaps not unnaturally, first also in logical order, comes the Comptoir d'Escompte de Paris. The scanty harvests and commercial difficulties, which had preceded the Revolution of 1848, had given more point and prominence to the complaints urged against the Bank of France, of studied neglect and even direct snubbing of all but big traders. Early in that year, a decision was taken, forthwith to proceed to the formation, in all large manufacturing and commercial towns, of a local national bank of discount—Comptoir National d'Escompte.—Their capital was to be constituted: one-third in cash from the body of shareholders; one-third in municipal obligations of the town where each *comptoir* had its seat; one-third in State Treasury bonds. The object principally in view, was that they should act as intermediaries between the public and the Bank of France, in the discounting of such paper as bore no other endorsement than that of the drawer; and generally to put within the reach of firms of small or moderate means, the same banking facilities which big houses enjoyed at the Bank of France. It is, however, needless to tarry here in examination of the soundness of the financial ideas which it was sought to embody in the creation of these local discount banks, since they were never practically realised. The Comptoir d'Escompte de Paris itself, although, no doubt, indebted, in a considerable degree, for its early success to official support, certainly does not owe its present high standing to any philanthropic view of economics. It shook off State and municipal help in the earliest years of its existence, and is to all intents and purposes a free and independent credit establishment, of the same description as its competitors of the present day. Nor has it specially devoted itself to the branch of banking suggested by its title.* The part played in Eastern banking by the Comptoir

* The names chosen by most of the great French public banks are not to be taken as any limitation of their range. Accidental causes have often determined the choice. Moreover, the appellation "Bank" was, by a *concensus*, more or less willingly acquiesced in, made a sort of monopoly of the Bank of France. The word *banquier* itself serves to designate many firms that, in London, would call themselves merchants. Again, the *coulisse* firms (stock jobbers) habitually describe themselves as bankers, there being, judicially, no recognition of their branch of dealing.

d'Escompte, the support it has given to the bringing out of various important undertakings, away from, as well as within the mother country, certainly do not come within the category of operations its originators contemplated, although they are, no doubt, within the province of any free establishment that chooses to enter upon them.

The Crédit Foncier, next on our list, almost lies beyond the limits of our subject to-night. Its special functions of granting mortgages on real estate, and advancing funds to municipal bodies, are somewhat outside banking proper. Suffice it to say, that, notwithstanding the vastness of its transactions, the Crédit Foncier is very far indeed from having monopolized the business of mortgage loans throughout the country. As a public company, the monopoly of such was, it is true, granted to it in 1856, but it expired in 1877, and was not renewed. The great bulk of private mortgages is still effected through the *notaires*—a French *notaire* doing much business in which, here in England, solicitors, and not notaries, would be called upon to act. The sum total of their transactions is roughly estimated as tenfold greater than that of the Crédit Foncier. Besides its actual capital, the Crédit Foncier has been empowered to raise funds by the issue of obligations, not exceeding in importance the total of loans previously effected; but likewise increasing with it in a manner practically continuous.

I do not intend, as you well may think, to take you one by one through the eleven societies which appear in my table. The figures therein given are sufficient to do any one of them justice, and I naturally choose, for detailed notice, those which are typical, and therefore particularly apt to point a study such as we are making to-night. For this purpose, I shall presently have something to say about the Crédit Lyonnais and the Société Générale, since they, more than any other of the public banking establishments, have laid themselves out, without any dependence on State prestige, on the lines of the Bank of France, in providing banking facilities all over the country; besides developing features of their own.

Before coming to these two establishments however, I must recur once more to the Credit Mobilier, founded in 1852. No survey of modern French banking would have any pretensions to comprehensiveness, if it neglected to mete out its due to what was at the time a bold, and for some years a somewhat dazzlingly successful innovation in public banking. To take up any new enterprise in the domain of commerce and industry, to weigh its chances of success, to provide it with a first organization, to make it widely known, to give it the primary support, for want of which many an undertaking fails to gain a footing, until many a disastrous attempt has cleared the way for some ultimate fortunate promoter; to do this, assuredly required no mean ability, and a pluck and spirit not easily daunted. The list of companies, brought out by the Crédit Mobilier, which have stood their ground and have achieved considerable importance; to wit,

railway, gas, water, carrying, not to speak of banking companies, certainly speaks with some eloquence on behalf of its founders. That the grasping spirit of monopoly, however, and the exceeding great temptation to turn to account the period of infatuation during which the public bestows blind confidence upon any thing successful, should have produced abnormal financial inflation and reckless ventures, and brought about a calamitous fall, is neither to be wondered at, nor is it to be looked upon as a definite proof of the unfitness of such business for prudently conducted banking companies. Indeed, the principle has survived, and is continually manifesting itself in mitigated and intermediate forms. The Banque de Paris et des Pays Bas may be quoted as an instance of such. It receives no deposits and turns over its capital exclusively in the *haute banque* operations, in which the Crédit Mobilier was, for a time, an over rash rival to the powerful private financial firms who have them under control.

Having thus given, one of the most exciting and instructing episodes of the creation and development of share capital in France, that meed of attention which it would have been unfair entirely to deny it, we must now hark back to the region of what is more properly understood in this country as practical banking. The Crédit Lyonnais, just the bare senior of the Société Génerale, with which I have bracketed it, was, and is still, as far as its registered head office—"Siége Social"—is concerned, a provincial establishment. The commanding position, however, which it has attained in Paris, has now made it a metropolitan institution. More particularly has it done so in that field of banking which the London Joint Stock Banks and private bankers claim as particularly their own, viz., deposit and discount, the acting as cashiers to the public, and the providing of a constant fund for all short dated commercial advances. In transacting such business, and presumptuous comparison apart, the Crédit Lyonnais, perhaps more than any outside establishment, follows in the lines of the Bank of France, inasmuch as it not only has a permanent connection, but, in that it readily acts for the public generally. I wish to give rise to no misunderstanding, I am speaking here of the Crédit Lyonnais in France, and not of its branches abroad. The business of these is naturally conducted on other lines, notwithstanding that their position in foreign cities, makes them, no doubt, valuable tributaries of the parent office, enabling it to work into its home transactions a growing share of the numerous foreign exchange operations, to which the continually increasing bulk of import and export trade gives rise. In France then, and apart from the regular customers of the establishment, any respectable person may get any one of many operations performed, for which he has not the inclination, nor the sufficiently frequent occasion—given the monetary habits of the French—to open a banking account. For such of these as necessitate a proof of the applicant's *bona fides*; as, for

instance, the selling of stock; the granting of loans thereon; the cashing of coupons; the exceptional discounting of a good bill on some distant town; the temporary opening of a deposit cheque account; he is called upon to produce some proof of identity: his *patente* if he is an established tradesman; if not, some authentic document, or an attestation to his signature by two respectable witnesses. Skilled tact on the part of the staff, and a little judicious cross-examination, generally suffice, in most of these cases; subject to ultimate reference to the management, if need be. Many operations, however, do not require any knowledge of the person who wishes them to be done. Cheques on provincial branches against cash; the transfer by telegraph or post of money handed in; orders to buy stock; depositing sums of money, subject to withdrawal on presentation of receipts by the depositor; obviously do not involve any examination of good faith, while their ready accessibility offers considerable convenience to the general public.

The Société Générale, originally founded, as its full title suggests (*see table*), in somewhat mitigated application of the theory of banking which had, some ten years before, given rise to the Crédit Mobilier, nevertheless very largely developed, also, the ordinary business of a deposit and discount bank. It was first in the field in the founding of numerous branches in the Departments, and of district offices within Paris. It inaugurated the marking of customers' cheques, for encashment at any of the branches.

V.

I have said but little, and that little only incidentally, of private banking, nor have I any occasion to go into particulars now, as their importance in the financial fabric will sufficiently appear in what there remains for me to say, in winding up this paper, viz., as to the proximate future of banking in France, and its extended use by the community. I shall hardly be considered to venture upon the proverbially uncertain ground of prophecy in saying that this future points to the continued onward march of joint-stock banking. Not, indeed, that the powerful private firms have declined in eminence. Nevertheless, while they still play a preponderating part in financial combinations, while the enormous wealth and sustained experience they possess, ensure a continuance of their influence, there are evident reasons for their number not increasing, and some latent causes for its eventual gradual reduction. Not only does share enterprise afford, to men gifted with the genius of managing large masses of capital, a permanently ready and a rapid means of arriving at the control of such, which does not appertain to the accumulation of private riches through two or three generations of a single name; but it also enables monied men to divide their risks. Moreover, the proprietary of a joint-stock company has nothing to apprehend from mere changes in the ownership of its shares; on the contrary, its

very constitution provides for them: shareholders change, capital remains. No death of the partners need bring about withdrawal of funds, a reduction of importance and ultimate disappearance, leaving a void not necessarily filled up, in the case of private firms, by some other new private firm.

Nevertheless, provincial private bankers do, indeed, and far more than their Parisian *confrères*, still retain a very large share of the ordinary business of their localities. At the same time, none of them will rank with the Paris "Haute Banque," nor would they attempt the same range of operations. Then again, many are really "commandite" firms, and therefore semi-public semi-private establishments. The hold which they have on local custom rests, in a great measure, on tradition. Banking accounts have been kept there from father to son. They have a closer insight into the private affairs of their *clientèle*, to whom they are often connected by family ties; thus being able to allow blank credits or obtain roundabout security for advances, from relatives or business friends, in cases where public banks would be precluded from similer action, out of obedience to the general rules of prudence, or even of business etiquette, by which which they must in the main be guided. Here also, however, as the circle of local commerce strikes a wider radius, and the necessity for adjusting numerous accounts in opposite quarters of the country, or even abroad, makes itself felt, so does the advantage become more appreciated, of having at hand the means of doing so, which the machinery of public banks so readily offers. It is only fair to mention the existence of a certain number of local public banking institutions which have sprung up, and obtain a certain quantum of business, with capitals ranging from a few millions of francs to ten, fifteen, or twenty millions. Their action, however, is scarcely felt outside their immediate districts.

With regard to the extent to which the community generally shows an increasing disposition to avail itself of the banking facilities placed within its reach, it is best brought out, if we examine, what has been in the past, the notion of a banking account, entertained by an average French man of business, and how far it has undergone, or is undergoing modification. A banking account was, primarily, looked upon as a means of collecting bills on distant customers, and only subsidiarily as a source of discount; the old-fashioned trader preferring to limit his turnover to the bare capacity of his capital, and such unquestioned credit as his reputation for integrity could command. Not that this credit did not give rise to bills drawn upon himself, just as the credit he gave furnished matter for drawing bills upon others. Quite the contrary (I may recall here the figures, previously given, as to the number of bills dealt with at the Bank of France last year), the universal business practice was, and persists in a great degree to the present day, of embodying every transaction in a bill of exchange, duly advised to the

drawee as the counterpart of the invoice sent to him; the acknowledgment of such advice taking the place of acceptance of the bill itself, this latter formality being hardly ever looked for. The result of this arrangement, indeed, and more properly speaking, its leading idea, was that commercial book-keeping rested on a man's bill case, and on his invoice book. With these he could, at any moment, draw up his balance sheet. His bills were his assets; as occasion arose he could turn them out for endorsement to his connection, or make up the pick into a "bordereau," for discount at the hands of some correspondent, oft times part trader, part banker. This mode of doing, taken together with the custom of French firms of keeping their own till and effecting their payments at their own counting houses, instead of domiciling them at their bankers, would seem enough to account for the slow progress for a long time made by deposit banking, were there not a cause for which we must look deeper, and of which these particular habits have been the immediate manifestations quite as much as ultimate cause themselves. This deeper cause is to be found in the slowly modified timorousness of middle-class capital; everyone being anxious to have continually at hand some important portion of his means realised in cash, and of which he felt surer for having it under his own immediate watch and ward, than he could have got himself to feel had he entrusted it to third parties. As it is found, however, that neither foreign invasion, nor civil disturbance, prevents the steady growth and consolidation of commercial and financial institutions, a more robust sense of security comes uppermost, and deposit banking has, unquestionably, not only struck root, but thriven and gained in strength.

Under the old notion of a banking account, as here defined, it was not surprising that the book entries and statements of account, as between the banker and his customer, should give rise to a good deal of complication unknown to the marvellously simple system under which English banking accounts, even of the highest importance, are written up. As the French banker did not reckon on a creditor balance being continuously kept with him, he had to recoup himself by charging a commission on the account. The account also always bore interest, and even where no difference in the rate was made between Dr. and Cr., the banker derived a profit by taking a day, or even several days, to his advantage both ways; the fixing of values, *i.e.*, entering the dates on which interest on items begins to run, being always a keenly surveyed point in posting foreign banking accounts current.

With the growth of deposit banking, there is, however, nowadays, a remarkable tendency towards greater simplicity of dealing, although it might not so appear to an English observer visiting, for the first time, one of the French public banks. A vast central hall, suggestive of a covered exchange; all around it, windows, or more properly speaking, openings—*guichets*—into it from the inner offices; every

now and again bustle, noise, and loud calls; people, many of them mere casual visitors, seated at tables in the centre of the hall, reading, writing, waiting or lounging; a numerous mixed staff of liveried messengers and assistants, besides the regular clerks; two or three policemen on duty; all combine to produce a somewhat distracting impression on a mind used to the more sober aspect of London banks. On the other hand, an unbiassed observer will soon discover that all this somewhat noisy bustle and seeming confusion is a mere outward accompaniment of a system of banking which places many and multifarious conveniences at the public disposal. He will find, in the first place, that he is enabled here, and by simply going from one *guichet* to another round the hall, to transact a much greater variety of business than he could do, under one roof, at any English establishment. In the next place, that the keeping of any accounts he may have to open with the bank, need not necessarily be more complicated than in London. We have already seen that the Bank of France has largely got rid of mere paper formalities and surplusage; and as to all other establishments, public and private, competition has developed among them an unprejudiced disposition to consider every combination of commission or no commission, interest or no interest, advice or no advice, which any particular account may justify.

Lastly, and in looking on at "across the counter," operations in a French bank, their purely material aspect must be judged of in the light of what we have said, as to the maintenance of private tills, and the still obtaining practice of non-domiciliation at one's banker. This naturally involves the moving of hard cash to a much larger extent than would be otherwise required. As a consequence, both paying in and drawing out take a good deal of time. I have myself watched at a paying-in *guichet* the receiving of some 600,000 or 700,000 francs in notes, gold, and silver five-franc pieces, which took about half-an-hour before the counting of the notes, weighing of the rolls of gold and bags of silver, and checking the paying-in slip, were fairly done with.* I would not have you conclude that more expeditious paying methods have made no headway. The use of cheques, although as yet but little prevalent in private affairs, has been widely adopted commercially. Clearing, at first sight appears

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* The mass of mechanical work thus required to be got through, accounts for the staff of liveried attendants doing duty behind the counter of French public banks, beside the regular clerks. Where receiving and preparing cash may, and does on some days of the month, take up hours of continuous labour, it pays better to employ educated clerks in book-keeping entries, and leave the actual manual part to attendants.

Some of the banks have tried female clerks for special work. The Bank of France, in its note department, and also for coupons, etc., has a staff of two hundred such, and it is found that for trustworthiness, skilful handling and rapidity, they excel the "superior" sex.

to make but small progress; as witness the figures published of the Paris Clearing House returns:—

Highest year: 1881—frs. 4,312,000,000.
£172,480,000.

The year 1882 actually showing a small falling off from these figures. To anyone who knows that the London Clearing House has, sometimes, dealt with such amounts in the course of a single week, the comparison would seem conclusive against French methods.

Let us take, however, the figures showing the transfers in account, effected by the Bank of France:—

Highest year: 1881—frs. 45,451,886,900.
£1,818,075,476.

It should also be borne in mind that the French Stock Exchange effects its own clearing.* It will then be seen that considerable progress, on the contrary, has been achieved towards improved modes of making payments and adjusting balances, although not on the exact lines of London banks.

I will not, however, strain your attention, nor overburden this paper with any further details. The natural divisions into which my subject, as I conceived it, fell, have each had their share of my allotted space. It was an obvious course first to take cognisance of the circumstances amidst which modern French banking found its origin. I then endeavoured to portray its actual state of full-grown development, and, concurrently and lastly, to show what hold it has taken among the economic habits of the nation.

I think I am justified in drawing from our inquiry the conclusion that the French banking system has not been behindhand with the legitimate requirements of the community. Nor have the men, to whose lot it has fallen to promote that system, neglected to study what existed in other countries, or been remiss in adapting it to their own, whenever it appeared that advantage would accrue, or that the surroundings would permit.

In any wise I am the less tempted to examine what additional practical conclusions or comparisons might be drawn, that I am addressing an audience of experts, to whose enlightened fairness I may safely leave this further task.

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* The Bank of France has latterly undertaken, to some extent experimentally as yet, the clearing of stock.

Discussion on M. Chevassus' Paper.

Mr. Billinghurst: There are two points in the paper on which I should like to ask questions. On page 485 the author, speaking of the *Banque de Paris et des Pays Bas*, says it "turns over its capital exclusively in the *haute banque* operations." As the term *haute banque* has also been used in the paper in another connection, I should like to know the exact meaning of the term *haute banque* operations. Also on page 479 in speaking of the Bank of France the author says:— "It receives for safe keeping all stock, home or foreign, and undertakes the cashing of coupons and all kindred formalities." We have known for a long time that the Bank of France has taken large amounts of securities for safe custody; but at the present moment when this matter is being so much discussed in London amongst bankers, it would be interesting to know from M. Chevassus the exact terms upon which the Bank of France takes such securities; the rates of charge and conditions; and further, whether in those new establishments of which he has been speaking, and which take securities also, (I think I am right in saying that the Credit Lyonnaise have recently erected a large building with very strong rooms for the purpose of taking securities) he can tell us what terms are required, or what responsibility is undertaken by those establishments. It has struck me as curious, when hearing of the operations of the Bank of France and when listening to a paper by one of our Vice-Presidents at an earlier period of this institution, that there should be so large a number of those small bills that have been spoken of as private bills. It is stated here that the Bank of France discounted during the year 1882 nearly 5 millions of bills "out of which 1,224,326 were not higher than 100 francs and 6,742 were as low, or lower, than 10 francs." We know nothing in London of such small bills. A week or two ago there was an interesting paper published in the *Economist* as to the number of bills issued in England, and they took the number of the stamps issued. From that statement it appears that the total number of stamps issued in 1882 for bills under £5 (requiring only a penny stamp) was only 1,100,000. I dare say many of the 1,224,000 bills discounted by the Bank of France were under 100 francs; and that I say is a feature of banking unknown to us. I should like to know to what extent payment by this means is being superseded by the cheque system, which I presume is gaining ground in France.

Mr. J. B. Martin: I have noted a few points during the reading of this paper, and I venture to call attention to them. In regard to the Limited Liability Act of France, M. Chevassus has called our attention to the fact that, under that Act, the whole of the capital must be subscribed, and 25 per cent. of the shares be paid up, before the company can be "registered" as I suppose it would be called;

and they cannot be made "bearer" shares till 50 per cent. of their face value is paid up. That shows a difference between the French Act and our own, and it would be curious to know how it works, because there can be practically no uncalled capital in a French limited company when the shares become "bearer" shares. The company then becomes literally a *Sociétié Anonyme*, and the public has to trust to the credit of the company, for I suppose that when 50 per cent. has been paid up the subscribers take care, in the event of failure, to keep themselves anonymous. M. Chevassus has told us that a great outcry has been raised against the law of 1867, in consequence of the events which he has denominated by the monstrous word which he has put at the top of page 476, *Krach*, a word which even M. Léon Say felt hardly competent to pronounce, alluding to it in one of his famous speeches as "*je ne sais quel nom barbare.*" M. Chevassus has told us that a reform in the Limited Liability Act has been called for, and it would be interesting to know in what respect it is held to require amendment. Another point M. Chevassus mentions on page 476 is, that when bills are discounted by the Bank of France, or other banks, they do not, as is the practice in England, credit the full amount of the bill and charge the discount, but they credit the net amount of the bill, less discount, on one side only. That simplifies the transactions in the bank's books, but it is a difference in detail, between French and English banking. The same course appears to obtain in loans. The interest is charged in advance, and, consequently, only one entry appears in the books. On page 482 M. Chevassus refers to the usury law; there we see that the Bank of France is emancipated from the usury law; but in the provinces the maximum is charged, and the remainder of the profit is made in the way of commissions. The same system, I believe, prevails in the English provinces; it may be a survival of the time when the usury law existed in England. I was not prepared to find that the usury law was in full operation so near home. On page 484 M. Chevassus alludes to the fact that mortgages are for the most part effected by the *notaire*, who combines many functions, and appears to be ubiquitous in French transactions. I think there are not many large mortgages effected by banks in England. Is it not rather the insurance offices who have to do with mortgages; and is it not also to the solicitor, in the capacity of *notaire*, to whom the country gentlemen, if embarrassed, goes for an advance on mortgage? Therefore the practices in the two countries, in this respect, seems to be very similar. On page 490 M. Chevassus speaks of the relative importance of the transactions of the Bank of France and the Clearing House. Mr. Billinghurst has alluded to a paper which many of us must recollect, and which gives many details of the working of the banks of France, England, and Germany in this matter. The sum of 1,818 millions sterling turned over by the

Bank of France, in 1881, looks a portentous figure; but if I am right in my recollection, evidence was given before the Commission on International Coinage, in 1868, by Mr. Palmer, then Governor of the Bank of England, that the Bank of England turned over 10 millions sterling a day, which, for 300 working days in the year would be 3,000 million sterling per annum, as against 1,818 millions turned over by the Bank of France, so that, if my figures are right, the Bank of England has a turn-over nearly double that of the Bank of France. Of course the figures of the Paris Clearing House are not at all comparable with ours. The Clearing House in France is a rudimentary institution. Mr. Billinghurst has touched upon the question of small bills, and it is quite true, as I know in my own practice, that these bills are drawn against each invoice, and they come over to my own bank from one or two customers in parcels every day, and we have to send about the city, or into the country to collect them. The country bankers cry out against the system, and there is posted up, in an obscure corner of our office, a notice from a very considerable bank, stating that they will not undertake to collect tradesmen's accounts in that way. Mr. Billinghurst is right in saying that the system is unknown in our internal arrangements in England, and it constitutes a great difference between French and English banking. We must all thank M. Chevassus for having prepared a paper so suggestive on many points.

Mr. Brett: On page 477 M. Chevassus has alluded to the different forms of cheque used in the Bank of France, and it is instructive to see what different machinery can be used in banking. I should like to know the process of "marking" cheques, and by what method they are passed through the accounts. Of course the "marked cheques" are, to all intents and purposes, bank drafts; and may remain in circulation for a long time.

Mr. Barnard: Among the operations which the Bank of France undertakes for the public there is one which has not been mentioned to-night, viz., advances on bullion. These advances are made on very low terms—1 per cent. per annum I believe—and it would be interesting if M. Chevassus could inform us why so low a rate is charged on these advances.

Mr. J. B. Martin: I should like to ask M. Chevassus, in regard to the shares of joint stock companies in France, if it is not the case that it is almost the universal practice that those shares bear coupons, and that registered stock is comparatively scarce; and, therefore, is it not the fact that bonds to "bearer" are a much more common form, and a much larger proportion of securities in France than in this country; and that, consequently, greater facilities on the part of bankers are required for taking care of them, these bonds to "bearer" being more risky to hold in private hands than certificates which require registration on transfer?

Mr. J. B. Greig: We have a common interest in minimising risks, that so the confidence of those not vested with any controlling power may be deserved and secured. In this connection three points occur to me on which the attitude of our philosophic neighbours might interest us. Our law gives to banks a lien over their partner's shares for advances made to them, and the rule tends to lower the quality of the share register. The impropriety of advancing a sum equal to a bank's entire capital to one customer or one connection is recognised, though no dictum on the subject has secured general acceptance. If advances may properly be made by a bank to gentlemen on its direction, or to institutions with which these gentlemen are identified, the regulations necessary to avoid hazard deserve careful attention. In Courts of Justice men are peremptorily debarred from judging in their own cause; but in banking the principle has not been so fully recognised, and the hazards of the neglect have received substantial illustration. The usage whereby a certain class of cheques are in France stamped with the character of bills accepted by the banks is very interesting. Here acceptance of demand documents is virtually prohibited, and much inconvenience results. The existing stamp laws stand in much need of revision from the arbitrary restrictions they impose on trade and the vicious practices on the Stock Exchange and elsewhere that suffice to evade them. I cannot think the Government will long delay this reform. A simple and inexpensive way of transmitting payments is a want of the hour, and banks must provide such if they would retain public favour. We are subject to keen competition from Post Office money orders unburdened with stamp duty or yearly license duty. It may seem a trivial matter, but depend on it if the public acquire the habit of going elsewhere for such business they will by-and-bye carry past us business we would gladly welcome.

The President: I must, I think, begin by thanking M. Chevassus very much for the interesting paper which contains a great deal that is fresh to us. With regard to the French system of drawing small bills for the amount of invoices, whatever prejudice may exist against it in country places I think it is a good plan, and I think it tends to prevent long credits which must be to the advantage of the tradesman class. That some banks object to collect these small bills is merely a point of internal economy which I scarcely understand. It ought simply to be a question of charge, and if you do not charge enough it is your own fault; and if you charge too much you will not be troubled by your customer again; but I think it is as legitimate to collect a bill for 3*s.* 6*d.* as for £3,600. The banker ought not to be expected to collect the bills for nothing. That practice is altogether, I think, in favour of France. It would have been interesting if someone had drawn attention to the average amounts deposited in the banks of France and England, so far as they can be ascertained by the number of accounts against the sum total. I have heard it

variously stated at 229, 180, 240, and 210. It seems to me rather a high average. I do not know what is supposed to be the average amount of deposit on an account. In the Bank of England I should hardly have thought it would be so much. It proves that accounts are kept by people who have more money, rather than the tendency, as it undoubtedly has been, for people to keep small accounts for the sake of the facility afforded in doing their business. The comparison M. Chevassus gives between the rate of the Bank of France and that of England is rather curious in the last line of it, in which it appears that the average rate, for the whole period, of the Bank of France and of the Bank of England is precisely the same. I cannot make even a rough comparison with the Bank of France and the other *Sociétés*, because here the public deposits are not separated from the private deposits, which makes all the difference. I see at page 489 in a "Note" which M. Chevassus did not read, that the Bank of France appears to have got in advance of us on one point, viz., that they have a staff of female clerks, and M. Chevassus says they have been found to answer in skilful handling and rapidity. I am aware that some of the mercantile houses employed in loans have female clerks for counting the coupons, and they do it very well indeed I understand; but I do not know whether there are any banks in England who employ female clerks *qua* clerks. M. Chevassus does not tell us how many clearing banks there are in France. I do not know whether they could be compared with those in London. I imagine there may be a difference, because in London all the clearing banks are gathered round a small circle, but in Paris they are scattered over a wide area. Attention has been called to the "marked" cheques. That, I suppose, is only done to a limited extent, as it is not a facility of which a stranger would be able to avail himself; but it must be a great convenience to a trader to be able to draw a balance at a branch bank at various places in the country. But it is such a dangerous privilege, that I suppose it is restricted to those of undoubted capital, and whose operations can easily be watched. Mr. Greig alluded to a most important subject, and one that must come up sooner or later, and that is the way the stamp duties restrict banking operations. It is, of course, the question of the stamp duty which has caused so large a number of bonds payable "to bearer"—a point of interest at this moment—being used in the city of London. If it were not for the stamp on transfer of stock, many such stocks would be registered. This is a point that ought to engage the attention of the Government. I do not think it can be to their advantage in the long run to keep the stamp duties at such a high figure that, though they do not press enormously on transactions that only take place on rare occasions, they still restrict the operations of borrowing money on the best kinds of stock because of the large proportion which the stamp bears to the operation which perhaps extends only over a

few days. I agree with Mr. Greig on another point. I have always been totally opposed to the Government going into business in any line in which the public can do just as well for themselves. We have had a case in point during the last few months. Government have taken the parcels business into their hands when the railways ought to have done it. I think the bankers of England are enough alive to their own interests not to let the banking business be taken out of their hands by this thin end of the wedge—the postal orders. We are quite prepared to give facilities to the public as great as the Government themselves if it were not for the stamp duties. This is rather an incidental observation, as the question of stamps has not been alluded to in the paper, though M. Chevassus might perhaps be able to speak of any differences here and in France in regard to stamps on securities and cheques.

M. Chevassus in reply said: With regard to the question put by Mr. Billinghurst as to the meaning of the words *Haute Banque*, it is generally understood to apply to the old private firms in Paris, and to a certain number of them; and as to what I have classified as *Haute Banque* operations, I refer you to the opening page, where I speak of the wealthy private bankers, and you will see what is the nature of these operations; operations which are carried on by firms in London, as I pointed out in a note on page 483, who generally call themselves merchants. As to the safe keeping of securities by the Bank of France, and other establishments, the Bank of France has undertaken this for a long while, but they make a charge; so that the point of its being a gratuitous service to its customers does not arise there. Every establishment undertakes the keeping of securities. The Crédit Lyonnais, particularly, has, in its new offices in Paris, made very extensive arrangements for keeping securities. As to whether the Bank of France, or the other establishments would actually look upon the point of law as absolutely settled in France, I do not think the case has been tried. It has not been found at the Bank of France that any securities have ever been stolen from the strong rooms, but we may consider, that if a case arose they would hold themselves liable, notwithstanding that the point of law is not perhaps absolutely settled.

Mr. Billinghurst: Are they ever taken without charge in the Bank of France or any other bank?

M. Chevassus: They always make a charge, but they might at some establishments, and exceptionally, for some of their customers take them without charge, as they do here. With regard to small bills, I think some of the speakers have supplied the answer themselves; and my own explanation with regard to the reason for the creation of these small bills, gives about as much information as can possibly be given. It was looked upon as a good and satisfactory mode of keeping accounts, and one that enabled a man to know what was owing to him, and, if necessity arose, to turn it to account.

As for bills of ten francs and such small sums, many of them are bills, more properly speaking in the sense of invoices than actual drafts, although when you come to drafts of 100 francs, and even under, they are actually bills of exchange. As to the remarks of Mr. Martin, on the limited liability principle and bearer shares, I may say I think it is rather too absolutely assumed, sometimes that bearer shares, after being half-paid up may be looked upon as becoming practically fully paid up shares, and that the holders would take good care to keep themselves anonymous. It should be remembered that there is on the one hand half the amount paid up, that many have been bought at a premium, and so long as the bank is solvent it does not follow that the holder of the shares, because a call of a hundred francs was made would throw away a chance of his property being made to pay. When a bank on the limited liability principle fails, and has to make a call on its shares, no doubt with registered shares there is a much greater hold on the shareholders. But then, under the bearer system, there is not an absolute absence of hold upon the shareholder, because, apart from the protection given by the two years' limit, there is also this, that when the capital of a bank is three-parts lost, the management is under an obligation to call a general meeting to consider the question of liquidation, so that there again, unless the shareholders made up their minds there and then to throw away the whole of their property, they must come forward. Also, although this is to some extent a suggestion of mine, as a general meeting of the company must take place every year, and it is necessary that half the capital should be represented, we get a statement of who are shareholders whenever a meeting takes place. That would afford a means of tracing many of the shareholders who would find it difficult to escape their liability. As to the question of the net of discounts appearing in the pass book at the Bank of France, I may say that a statement is given, with particulars, to the person who tenders the bills, and consequently there is no necessity for any more than the net appearing. On the subject of mortgages being arranged by *notaires*, and not by solicitors as in England, it was not my intention to call attention to this being done differently to the mode adopted in England, but I simply referred to it to show that the Crédit Foncier had not engrossed all such business. As to the turnover of the Bank and the amount given of 1,818 millions, I may say that this is not the whole turnover of the Bank of France. For instance, if you take the figures of the year 1881, to which that amount belongs, we find besides these, say 45 milliards of francs, further transactions of 19 milliards in notes, and nearly 2 milliards in cash, making up a total turnover of 67 milliards, which is of course still a long way from the English figures. But still it is a considerable figure, and I inserted it for the purpose of showing that clearing methods were being established in France, though not on the exact method used in England. As to the marking of cheques,

it is to be perfectly understood that the bank does not mark them without debiting the customer's account. A customer who has an account at the Bank of France, and wishes to send his cheque with a certainty that no difficulty will be made about it in the country, has it stamped on the back at the Bank, and by that means is able to send it to any part of the country where the bank has a branch, with a certainty that the one who receives it will have it paid to him, without any delay. In fact, the amount is no longer at the disposal of the drawer of the cheque. On the question of the advances on bullion which the Bank of France makes, the practice is to make them generally at 1 per cent. for a minimum period of thirty-six days. But anyone who looks at the weekly return will see it is never for any considerable amount; and one of the motives for the Bank of France making such advances is to be found in its large issue of notes, and to its not being entirely restricted therein to the movements of the gold reserve, as here, which takes away from the Bank of England a similar inducement to do likewise. As to any lien which a bank may have on its shareholders' shares, it would to some extent amount to making advances on its own shares, which is looked upon as rather contrary to good policy; an establishment not being considered as acting with due prudence in making such advances. With regard to Mr. Martin's remark as to deposits, it would be necessary to go largely into figures, to make the comparison he suggested; but I may say that the figures I have given for the Bank of France, do not include public and private deposits, but the maximum of private deposits only. As to clearing, there is not a very large number of the banks that have joined it, and hardly any of the private firms. Almost all of the *Haute Banque* firms have kept out of the clearing house, and that is one of the reasons why the Paris clearing house does not assume the great importance it would seem that it ought to assume if we looked at it purely from the point of view of the London practice. Then again, the clearing of the Stock Exchange being effected by their own body, takes away very considerable amounts, which we know swell in a very large measure the London clearing on certain days. I do not know that I can go into any other point at this advanced hour of the evening. I shall be pleased, if any member wishes for any further information it is in my power to give, if he will place himself in communication with the Secretary. I must, however, thank you for the great attention with which you kindly listened to my paper, and for the vote of thanks you have been good enough to pass, on the motion of our President.

SECURITIES DEPOSITED WITH BANKERS.

In view of the interest attaching at the present time to this question, the following Code of Regulations, issued by the Bank of France, in regard to the custody of securities and collection of interest, &c., is by permission reproduced :—

Conditions des Dépôts de Titres.

Les personnes qui remettent leurs titres en garde à la Banque acceptent, par le fait du dépôt, les conditions ci-après, dont il leur est remis un exemplaire.

Dispositions Générales.

1. La Banque reçoit en garde, moyennant le paiement d'un droit annuel, les valeurs de toute nature, françaises et étrangères, sans être tenue, en aucun cas, des accidents de force majeure ; elle ne prend envers le déposant qu'une seule obligation : celle de conserver les titres et de suivre l'encaissement des arrérages.

Les frais de timbre de dimension et de quittance sont à la charge du déposant.

2. Elle ne reçoit pas de dépôts en nom collectif, au nom de successions, de faillites, de femmes mariées étrangères, de Françaises mariées sous le régime dotal ou non séparées de biens, d'interdits, de mineurs, de nu-propriétaires et usufruitiers, ni de dépôts servant de nantissement ou de garantie, etc.

3. Au cas de changement d'état civil, de décès, d'apposition sur les récépissés de la cote d'un officier ministériel, de cession de récépissé à des tiers, d'opposition, enfin dans tous les cas d'un litige ou d'une difficulté quelconque, et en tout état de cause, le contrat de dépôt prend fin et la Banque provoque le retrait des titres, ou les remet, au besoin, aux frais des ayants droit, soit à la Caisse des Dépôts et Consignations, soit à un séquestre judiciaire. Elle cesse, jusqu'au moment où la position est régularisée, d'en payer les arrérages.

Toutes les dispositions de la présente instruction s'appliquent aux Caisses de dépôts des Succursales de Bordeaux, Lyon et Marseille ; seulement les arrérages des titres qui y sont déposés ne se touchent sans frais qu'autant qu'ils s'encaissent sur place. De même ces trois Succursales ne se chargent des versements et échanges qu'autant qu'ils peuvent s'effectuer dans la localité.

Les déposants dans ces trois Succursales peuvent toucher les arrérages de leurs titres, moyennant commission, soit à Paris, soit dans d'autres Succersales.

Droit de Garde.

4. Le droit de garde se paie par année.

Il est calculé à dater du jour du dépôt. Ce droit *est dû de nouveau chaque année* à la date correspondante et *pour la totalité de l'année.*

Il est déduit du montant des arrérages encaissés, ou bien il est perçu lors de la remise des coupons, à une échéance que la Banque fixe pour chaque valeur.

Pour les valeurs qui ne paient pas d'arérages ou qui n'ont pas de coupons, le droit doit être acquitté par les déposants à l'échéance qui leur est fixée.

Si le dépôt est retiré avant cette échéance, le droit est acquitté au moment du retrait.

5. Tout dépôt qui n'a pas été retiré le jour même où expire l'année de garde est considéré comme renouvelé aux conditions de la Banque, à ce moment.

6. Ce droit est de :

Dix centimes par vingt-cinq francs de rente consolidée *perpétuelle* ou fraction de vingt-cinq francs de rente ;

Vingt centimes pour chaque titre d'emprunts d'Etat remboursable par tirage ou à époque déterminée (3 °/o amortissable français, 4 1/2 °/o Etats-Unis 1891, etc., etc.) ainsi que pour chaque action, obligation, bon, et tout autre titre d'une valeur nominale de mille francs et au-dessous ;

Dix ceutimes en sus par mille francs ou fraction de mille francs.

La valeur en francs du capital ou des arrérages des valeurs étrangères, à moins qu'elle ne soit spécifiée sur les titres, s'établit d'après un change fixe adopté par la Banque.

Le minimum du droit est de *un franc* par dépôt.

Dépôt.

7. Les titres sont présentés aux guichets de la Banque ; ils peuvent l'être par des tiers ; dans ce cas la Banque engage les personnes au nom desquelles le dépôt est opéré à signer leurs bordereaux, afin d'éviter plus tard des formalités ou des frais, au moment du retrait.

Les bordereaux doivent être établis sur des formules que le déposant trouve à la Banque et dans ses succursales.

Les envois de titres par lettre ou par l'intermédiaire des succursales ne sont pas admis.

8. Il est délivré aux déposants un reçu provisoire de leurs valeurs, en échange duquel les récépissés définitifs sont remis, quelques jours plus tard, *au porteur.*

Les numéros des titres sont portés sur les récépissés définitifs après vérification, en fin de journée, de leur conformité avec les indications du bordereau de dépôt.

9. Ces récépissés sont nominatifs, et ne sont cessibles, ni par simple tradition, ni par endossement.

Retrait des Titres.

10. Les titres sont rendus le lendemain du jour où la demande de retrait a été faite à la Banque, soit dans ses bureaux, soit par lettre.

Dans le cas où les demandes seraient trop multipliées pour que la restitution des titres pût s'opérer dans le délai ci-dessus, la Banque fixera aux intéressés le jour et l'heure de cette restitution.

11. Quand le bordereau de dépôt a été signé par le titulaire du récépissé, les valeurs sont remises, soit au titulaire lui-même, soit *au porteur* de sa procuration notariée, ou à un Agent de change de Paris, qui certifie, dans ce cas, la signature de la décharge mise au dos du récépissé.

Si le bordereau n'a pas été signé par le titulaire du récépissé, le retrait des titres exige une procuration ou une décharge notariée en brevet.

12. En cas de changement d'état civil ou de décès, les titres ne peuvent être rendus que contre une décharge en minute, qui sera reçue par le notaire de la Banque, aux frais du déposant ou de ses héritiers.

13. Les titres déposés peuvent être retirés par fractions, moyennant *dix centimes* par titre rendu.

Si le rétrait concerne des titres sortis au tirage et qu'il s'opère au moyen d'une procuration, celle-ci devra indiquer les numéros des titres.

Paiement des Arrérages.

14. La Banque encaisse gratuitement, et aux conditions imposées par les débiteurs, ou par tous tiers payant en leur acquit, les arrérages, dividendes et intérêts payables à Paris ; elle en remet le montant *au porteur du récépissé*. Ces arrérages sont payables, soit à la Banque centrale, soit dans l'une de ses succursales, suivant la demande faite par le déposant au moment du dépôt, ou, celui-ci effectué, vingt jours avant l'échéanee des arrérages.

Le paiement a lieu, à Paris, le surlendemain du jour où la Banque a été payée, jours fériés non compris, et dans les succursales huit jours après.

15. Lorsque le déposant est titulaire d'un compte courant, les sommes encaissées peuvent être portées au crédit de son compte.

16. Les paiements d'arrérages dans les succursales sont soumis à un droit égal à celui qui est perçu pour les billets à ordré de la Banque sur ses Succursales, dont le minimum est de *cinquante centimes* pour mille.

17. Par le fait seul du dépôt, tout déposant donne à la Banque le pouvoir de négocier les coupons des valeurs étrangères dont le change est variable, et il approuve les conditions auxquelles la négociation aura eu lieu.

Le déposant peut, au moment du dépôt, se réserver le droit de les négocier lui-même ; dans ce cas la Banque rend les coupons un mois avant leur échéance *au porteur* du récépissé.

18. La Banque cesse les encaissements quand, les coupons étant épuisés, elle ne peut s'en procurer d'autres à Paris.

Elle se réserve, le cas échéant, de ne plus encaisser les coupons, lorsque le paiement des arrérages est soumis à des conditions nouvelles non prévues au moment du dépôt.

19. Afin de pouvoir recevoir en temps utile les arrérages des valeurs déposées dans ses caisses, la Banque est obligée de détacher les coupons plusieurs semaines avant leur échéance; elle donne à leur place, aux déposants qui retirent leurs titres, une fiche contre remise de laquelle ces arrérages sont ultérieurement payés *au porteur*.

Les titres nominatifs, que la Banque doit également remettre aux Compagnies quelques semains à l'avance, sont conservés par celles-ci jusqu'au jour de l'échéance.

20. Tout déposant, porteur d'un certain nombre de récépissés, peut les remettre ou les faire remettre d'avance au Service des Dépôts, afin que, le travail de vérification préalable étant fait, le paiement des arrérages puisse avoir lieu sans délai le jour qui lui sera indiqué.

21. Les déposants qui ont laissé accumuler les arrérages de plus de deux échéances, ne peuvent pas être payés séance tenante; le paiement est renvoyé à un jour qui leur est indiqué lors du dépôt de leurs récépissés.

Encaissement des Titres amortis.

22. La Banque ne vérifie pas si les titres qui s'amortissent par voie de tirage au sort sont sortis aux tirages, et dans le cas où elle l'apprendrait, ne s'engage pas à en prévenir les intéressés. Lorsqu'il lui a été donné connaissance des sorties par les Compagnies ou les déposants eux-mêmes, elle encaisse le montant des titres remboursés aux pair, aux conditions de l'établissement qui effectue le remboursement.

Elle perçoit à sujet une commission de *un pour mille*, avec un minimum de *un franc*.

Il en est de même pour les titres dont le remboursement est dénoncé par les Etats, Villes ou Compagnies qui les ont émis; quand elle est avisée de ces remboursements, elle en encaisse le montant dans les mêmes conditions que ci-dessus.

23. Lorsque à un titre rembourse vient s'ajouter un lot, et que le déposant charge la Banque de le toucher, elle perçoit sur l'encaissement de ce lot une commission de *un pour mille*, avec maximum de *cinquante francs* et minimum de *un franc*.

Opérations sur Titres en Dépot.

Libération.

24. Moyennant la provision nécessaire, laquelle doit comprendre, s'il y a lieu, les intérêts de retard, et moyennant aussi la commission

de *un pour mille* (minimum *un franc*) la Banque opère les versements appelés sur les valeurs non libérées, en se réservant dix jours à cet effet.*

Les fonds doivent être remis à ses guichet avec les récépissés à l'appui, et non par lettre ; elle n'applique pas aux versements les sommes que les Déposants peuvent avoir en compte courant dans ses caises ou celles qu'elle leur doit pour arrérages.

Echange et Conversions.

25. La Banque effectue d'office l'echange des titres et le renouvellement des feuilles de coupons lorsque cette opération a lieu à Paris, soit directement, soit quand il s'agit de titres étrangers, par l'intermédiaire des établissements accrédités à cet effet.

Le renouvellement des titres nominatifs n'a lieu par ses soins qu'autant que les établissements qui le font se contentent d'un certificat de vie, come le Trésor public.

Commission : *moitié* du droit de garde, minimum *cinquante centimes.*

26. La Banque ne s'engage pas à prévenir le déposants dans le cas où les nouveaux titres ne porteraient pas les mêmes numéros que les titres échangés.

27. Lorsque les titres déposés à la Banque sont soumis à une conversion, elle se charge de cette opération sur la demande des déposants et aux conditions ci-dessus.

Timbrage.

28. Moyennant provision et sur la demande des déposants ou de leurs représentants, la Banque se charge de faire timbrer le titres étrangers déposés dans ses caisses.

Commission ; *moitié* du droit de garde, minimum *un franc.*

29. Le déposants peuvent faire, par l'intermédiaire des Succursales, le diverses opérations ci-dessus indiquées.

Avances sur Titres.

30. Les titulaires des récépissés de valeurs déposées à Paris ou dans les Succursales de Bordeaux, Lyon et Marseille, peuvent, en présentant leurs récépissés, obtenir, soit à Paris, soit dans les Succursales, un prêt sur les titres sur lesquels la Banque fait des avances, savoir : Rentes sur l'Etat, bons du Trésor, actions et obligations de chemins de fer, obligations du Crédit Foncier, emprunts de villes et de départéments.

Elle ne prend pour ces prêts que l'intérêt de la somme avancée, sans commission ni frais accessoires.

(15 *Mai* 1883.)

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* La Banque ne se charge pas de faire des souscriptions, mais ces souscriptions peuvent, dans la plupart des cas, se faire par le déposant lui-même sur la simple production aux Compagnies des récépissés de la Banque, laquelle équivaut à celle des Titres eux-mêmes pour la constatation de ses droits ; il en est de même pour les Assemblées générales d'actionnaires.

THE METALLIC RESERVES OF BANKS OF ISSUE IN ITALY.

The following is a translation of the decree published in No. 1,592 (3rd Series) of the Official Record of Laws and Decrees of the Kingdom of Italy:—

HUMBERT I.,

By the Grace of God, and the will of the nation, King of Italy.

Having considered :

The law of April, 1874, No. 1,920 (2nd Series);

Articles Nos. 18 and 26 of the law of April 7th, 1881, No. 133 (3rd Series);

The Royal decree of March 1st, 1883, No. 1,218 (3rd Series).

Having heard :

The Permanent Commission for the abolition of forced currency, instituted by Article 24 of the said law of April 7th, 1881 ;

Our Council of Ministers.

On the proposition of the Minister of Finance, *ad interim* Minister of the Treasury, and of the Minister of Agriculture, Manufactures, and Commerce—

Have decreed, and do hereby decree :

Art. 1.—The metallic reserves of the banks of issue, which did not amount to the proportion of two-thirds metallic legal currency in gold, on the 30th June, 1883, shall, at the expiration of two months from the publication of the present decree, be constituted, of two-thirds, at least, in metallic legal currency in gold, and of not more than one-third in metallic legal currency in silver.

The said banks of issue are prohibited from converting into silver that part of their gold reserve, in class of two-thirds, that may have been certified on the 30th of June, 1883.

Art. 2.—The limit fixed by Article 7 of the law of April 30th, 1874, No. 1920 (2nd Series), for the triple circulation of each bank of issue, shall not at any time be exceeded. From the 1st of April, 1883, and until further enactment, there shall not be comprised within the said limit, nor subjected to the tax on issues, notes issued against a corresponding equal sum in metallic legal currency, two-thirds in gold and one-third in silver, in the actual possession of the banks.

The highest circulation corresponding, as above, to the augmentation of a like sum in metallic currency in the possession of the Banks, shall not exceed the limit fixed in the first part of Article 13 of the law of April 30th, 1874.

We hereby Command the said decree, sealed with the Seal of the State, to be inserted in the Official Record of the Laws and Decrees of the Kingdom of Italy, and whomsoever it may concern to obey it and cause it to be obeyed.

Given at Monza, the 12th of August, 1883.

HUMBERT.

A. Magliani.
Berti.

Countersigned: The Keeper of the Seals,

Savelli.

THE SILVER QUESTION IN THE UNITED STATES.

An interesting communication has been received from Mr. George M. Weston, who acted as the Secretary of the United States Monetary Commission, constituted in 1876, in which he gives a narrative of the opinions and purposes of the dominant majority in the United States which successfully insisted upon the enactment of the Silver Coinage Law of February, 1878. It is a matter for regret that this cannot be given in full, for Mr. Weston was in a position to speak with authority on the subject, and is able to give his information clearly; but space precludes this. With Mr. Weston's sanction, however, the following passages are reproduced from his communication.

Amongst the grounds on which the restoration of the double standard in the United States was urged, and which are stated in the Report of the American Monetary Commission (1877), it was held:—

"That the double standard affords a steadier measure of value than a single standard of either of the metals. On that point the language of the Report was as follows:—'The fluctuations in the aggregate supply of the two metals are less frequent* and less violent than are the fluctuations in the supply of either metal, and consequently, the fluctuations in the value of the two, used together under the double standard, are fewer in number and less in degree than would be the fluctuations in the value of either one of them.'"

On the question of the relation of value between Silver and Gold, it was held:—

"That, without assuming that law can regulate the value of any one thing, or the relative value of any two things, the double standard does act upon the demand and supply of gold and silver in such a way as to steady the ratio of value between them. The Commission

* It will be remembered that this was not the conclusion arrived at by the Royal Commission on International Coinage, 1868, who in their Report, p. ix., say, "We are decidedly of opinion that the double standard of value is liable to more frequent variation than a single standard." Nor is it the opinion formed by Professor Jevons, who, in his volume on "Money," p. 138, fourth edition, shows conclusively, by diagrams, that the line of variation under a double standard "undergoes more frequent undulations than either of the curves of gold or silver (under a single standard), but the fluctuations do not proceed to so great an extent, a point of much greater importance."—Ed.

say :—'But while there seems to be a not very unsteady relation of value between the metals, independent of legislation it also appears to be established by experience that law can make the relation of value exact and permanent within the range of fluctuations determined by other causes. . . . . Upon the slightest divergence between the two metals, the law of the double standard creates a new and constant demand for the cheaper metal, while at the same time it suspends all demand for the dearer one, and, until the equivalency is restored, furnishes a supply of the dearer metal to the markets of the world. It thus operates on demand and supply, which, it is not denied, are the sole factors of value.' "

The principal ground, however, on which the Commission advised the resumption of the coinage of Silver, was stated by them in the following language :—

" The discarding of either of the two metals as money would cause such a fall in the prices of commodities and property, and consequently impose such unjust and ruinous burdens on debtors, individual and national, as to be justifiable on no plea of convenience, and defensible only on the plea of absolute necessity. . . . . In the whole history of the human race, whenever a rise in the value of metallic money has occurred, it has been attended by financial, industrial, political, and social disaster. An increasing value of money and falling prices have been and are more fruitful of human misery than war, pestilence, or famine. They have wrought more injustice than all the bad laws which were ever enacted."

In regard to the actual passing of the Act, and the compromise in which it resulted, Mr. Weston says :—

" The double standard, as it was defined by the American Commission, and as it had always been understood everywhere before the limitation imposed upon silver coinage by the Latin Union in January, 1874, namely, as the equally free coinage of both metals at a legally fixed ratio of value, was not enacted by Congress in 1878. A large majority in the Senate and House were in favour of it, but the purpose of the then President (Mr. Hayes) had been preannounced, to veto any bill for the coinage of silver, except upon conditions regarded by everybody outside of the exclusive gold standard party as wholly inadmissible. It was, therefore, necessary to pass a bill which would secure a two-thirds vote in each legislative branch, so as to carry it over a veto, which was only possible by conciliating the support of persons who, although willing to agree to a certain rate of silver coinage, were not ready for its free coinage. The result was a law, enacted in spite of the President's opposition, requiring the purchase in each month of from two to four million dollars' worth of silver bullion, and its coinage into dollars. As this law has been so far administered, the purchase of silver bullion has

been rigidly limited to the minimum of two million dollars' worth monthly. When the present Congress commences its first session next December, the coinage will have reached $159,000,000."

Finally, the present views of the two parties in America are carefully summed up as follows:—

"The gold party in the United States universally maintain that the silver coinage should be suspended until it is resumed in Europe generally, and some of them insist that it must be suspended until England resumes it. It is believed, although not absolutely known, that the American delegates to the last International Monetary Conference, were directed by the late President Garfield not to agree to any bi-metallic treaty which did not include both England and Germany. It is not to be supposed that the silver party in Congress will assist in voting money for the expenses of another Conference until they first have assurances that no instructions, certain to make a Conference abortive, will be given to the American delegates. They see no indications that there is any immediate prospect of the remonetization of silver in England. Many of them believe that the present British policy of coining gold in the United Kingdom, and silver in India, assists to sustain silver as one of the moneys of the world, and to sustain the value of silver quite as much as would the establishment of the double standard in both England and India. They unanimously reject the entirely modern and impracticable theory of Cernuschi, that 'bi-metallism requires that the two metals should be used *everywhere* at a fixed ratio by law.' They know that the metals never were so used, and do not expect that they will ever be, and they believe also that a monetary use of silver sufficiently extensive to maintain it as one of the moneys of mankind will accomplish the essential object of the double standard, which is, in the language of the present French Baron Rothschild, that 'the general mass of the two metals shall serve as the measure of the value of things in the world."

Mr. JOHN SMITH.

It will be a source of general satisfaction to the members of the Institute that the Government have selected Mr. John Smith—General Manager of the London and Yorkshire Bank, and a Fellow of the Institute—to fill the important position of Inspector-General in Bankruptcy under the new Bankruptcy Act. Those who remember the part which the Institute has taken in connection with this subject—in the promotion of discussion, in defining and pressing upon the Government the leading principles upon which such an Act should be based, and by the close attention to and comment upon every proposal which has been put forward, until they have the satisfaction of seeing every point of importance which they have urged included in the law—will remember the unceasing energy and ability which Mr. Smith has devoted to the subject. His comments on Mr. Davidson's paper in 1880, followed shortly afterwards by his Practical Suggestions and the Resolutions which led to the Council being authorised to approach the Government, and, later, by his notes on the several Bills introduced into Parliament, besides various other contributions, show his complete mastery of the subject down to its most minute details. His comments have, no doubt, greatly aided the members of the Institute to that intimate knowledge of the subject and interest in it which have been so keenly manifested during the past three years. The Government and the public are alike to be congratulated on the fact that an active part in the administration of the Act is in the hands of a gentleman so eminently qualified to fulfil the duties devolving upon him; whilst the Council can but recognise with unfeigned satisfaction in this act of the Government their complete approval of the views so consistently upheld by the Council, and also an avowal, in terms which cannot be misunderstood, of their determination, in so far as it lies within their province, that the Act shall be administered in accordance with these views.

BANKING IN AUSTRALASIA.*

To discuss the subject of Banking in Australasia, "from a London Official's point of view," is obviously to survey a vastly extended area from a remote and narrow stand-point; nevertheless, the author of this little book has brought under observation a good deal of useful and interesting information as to the individual history of the banks doing business in the several Colonies, besides placing on record more or less complete obituary notices of others which have ceased to exist. The various statistical tables are carefully compiled, but are not sufficiently comprehensive in their scope for general purposes, as they refer only to the operations of selected banks of old standing, and take but little cognizance of those of later growth. Very erroneous views, indeed, result sometimes from the omission of these later established banks, as, for instance, in the remarks in Chapter I., where the comparison of the total assets of eleven banks in 1861 and 1882 is referred to as showing, amongst other results, "the expansion of banking business in New South Wales, Victoria, and Australia." The omission of the new banks which have been established between these two periods, and now possess assets in the three Colonies to an amount of over £12,000,000, renders this view of the expansion of business altogether incomplete.

A great many subjects affecting Australian banking are discussed in an intelligent, but often, it must be said, in an inconclusive manner; some questions are propounded and left unanswered, whilst other points are treated dogmatically, and with scant respect to the opinions of other authorities.

The constitution and operations of the various mortgage and finance companies are not inaptly referred to as "a feature of Australasian banking," seeing that several of them are not only "affiliated" to certain banking institutions, but are practically under the control and management of the banks' directors and superior officers. The results seem to justify the assertion that such intimate relations are mutually beneficial to the affiliated companies, and it is easy to understand that the pastoral advances of a bank may assume proportions and characteristics which render them more suitable for permanent investments, such as the mortgage companies cultivate.

* "Banking in Australasia, from a London Official's point of view, with some remarks on Mortgage and Finance Companies." London: Blades, East & Blades, 23, Abchurch Lane, E.C.

On the other hand, the extent to which the banks trench upon the agency business of the merchants and finance companies is indicated by the list (p. 72) of the quantity of wool consigned direct to nine of the banks during the year 1882, which may be taken to represent a value of upwards of a million and a-half sterling. Where the management of the bank and of the finance company are practically the same, it must be somewhat difficult to determine where the business of one leaves off and that of the other commences. The important point to keep in view in such arrangements is that no bank should sacrifice its independence to the interests of an institution which it has helped to establish, and that such an institution should invariably occupy only the subordinate position.

A propos of the facility with which the mortgage companies borrow British capital at lower rates of interest than the banks pay on fixed deposits, the proposal is again made that the latter should raise money on "debentures" for 10 to 20 years, and it is suggested that these might be issued at a discount, which would make 4 per cent. (the interest they would bear), about "equivalent to 5 per cent. deposits for three years." This proposal has already been ventilated, but it is not surprising that it has been received with little favour. It is evident, indeed, that the word "debenture" had better be discarded at once, since the author finds it necessary to explain that it is not used in the commonly accepted sense of a preferential security, by way of mortgage, or first charge upon the assets or uncalled capital of the bank, but is intended "simply to express a negotiable interest-bearing document acknowledging a debt." At the same time it is remarked that "it would probably be necessary for any bank taking money in this way to have its Articles of Association altered, so that there would be no limitation of liability in regard to the debentures." It might, probably, not be difficult for the banks, without such a radical alteration in their constitution, to obtain deposits for fixed periods upon interest bearing documents which might be termed "deposit notes," and be made transferable by endorsement, but a banker prefers, as a rule, to know who his creditors are, as he can then judge of the probability of their deposits being continued or not, and make his arrangements as they arrive at maturity. But the most striking part of the debenture proposal is, that the banks should take "£200,000 or £300,000" at a time, and thus incur a mass of liabilities, which would all mature on the same day, whether in five, ten, or twenty years hence, being comparatively immaterial. This would be entirely at variance with some of the first principles of banking. There are, indeed, so many objections to banks borrowing in the manner suggested, that it is really useless to discuss the proposal.

The subject of "telegraphic transfers of money" is dealt with, but it cannot be said that much additional light is shed upon the question. It is still maintained that the "immediate payment of cash"

is "the very essence" of such remittances, and although reference is made to the remarks offered to the Institute by Mr. Brett, in his paper on "Australian Banking,"* in which this theory has been questioned, no attempt is made to controvert the opposite view. With some inconsistency the plan (already adopted by some of the Australian banks) of responding to cable advices by the acceptance of the payees' drafts, instead of by an "immediate payment of cash," appears to be deprecated, whilst the practice which other banks follow, of sending home drafts subject to telegraphic confirmation, is regarded with satisfaction. In other words the author approves of a bank in the Colony issuing drafts on its London office without value received, though it is difficult to see how the Colonial accounts can be framed to pass the scrutiny of the auditors.

* See *Journal*, Vol. IV., pp. 108–113.

RECENT PAMPHLETS.

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*The Gold Question and the Fall of Prices.**

There has been very little put forth lately by writers on Bi-metallism, but the International Monetary Association has reprinted in a Pamphlet form an Essay by its President, Mr. Henry H. Gibbs, which was published originally in the July number of the *National Review*. The title given to this seems to indicate the phase which the question is now assuming. All has been said in regard to bi-metallism that, for the present, need be said; and both its supporters and opponents are watching the changes in prices as measured by gold. Both parties are fairly agreed in the fact that there has been a fall, though they may differ as to details; but whilst bi-metallists are watching for the period when, as they believe, a crisis will be arrived at when circumstances will insist upon their principle being accepted, their opponents trust that firm ground will shortly be reached, upon which prices may for a long time to come be based.

In this very readable essay, Mr. Gibbs reviews the question down to the present time, calling attention to the chief actors in the warfare and the parts they have sustained; recapitulating, though perhaps with too sanguine a faith, the points which he believes have been demonstrated, and reviewing the grounds for concluding that there has been a growth of public opinion in its favour. But whilst "a better understanding of the subject is increasing," he points out that "the march of events has been in an opposite direction." Italy has adopted a gold circulation; in Holland, authority has been sought to sell their silver so as to substitute gold; and, in the United States, not only has the absorption of gold continued, but there is an increasing agitation against the continued coinage of silver under the provisions of the Bland bill. Combating the views of those who, whilst they admit that there has been suffering due to an appreciation of gold, use the language of the *Statist*, and say, "Let the suffering cure itself; commerce, it is true, is on infirm ground, and feels herself sinking; let her not fear, she will come to firm ground at last," Mr. Gibbs leads to an inquiry, "first, whether there *is* such a general fall in prices as is supposed; secondly, whether, if there is, it can be asserted with any degree of certainty that no other universal and persistent cause can be alleged for the fall; and

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* Occasional Paper, issued by the International Monetary Standard Association.

thirdly, whether anything has happened which could disturb the proportion which existed some years back between gold and the commodities which it measures in English commerce, and cause such a fall." The first of these questions is answered by a table of prices (drawn up previously to Mr. Goschen's recent address before the Institute), in which a continuous fall of prices is made manifest, notwithstanding the prophecies of turning points from year to year. As regards the second question, he comes to the conclusion that "one cause alone has been persistent, and that is the appreciation of gold. That commodity is produced less and is used more, and, like all other commodities in like case, it is consequently dearer." The third question—whether the proportion between the mass of gold money and the commodities it measures has been disturbed—he answers by a quotation from this *Journal*, of the table compiled by Sir Hector Hay,* of the output of the precious metals during the last ten years, in which it is shown that during that period the production of gold has actually declined. The conclusions which Mr. Gibbs draws from these are "that the production of gold has declined, is declining, and in the opinion of those well qualified to judge will continue to decline, and that the demand for it, both in the Arts and for money purposes, has increased, is increasing, and with the increase of population will continue to increase;† and it seems that when this becomes evident to the gold-using nations, they will be inclined to adopt, or further the adoption of, the only measure which can lighten the strain upon them, and that is the associating silver with gold in the monetary work of the world." Some side arguments, including that which assumes that England, as a creditor nation, is benefited by an appreciation of gold, are dealt with, and his opinion on the main question is summed up as follows :—

"The more I consider the matter, the closer I look into it, the more sure I am that the system which I advocate, though it seem to contradict in words the dicta of Lord Liverpool, is yet the only real carrying out of his system. He urged unity and uniformity of metallic money of full weight and fineness as a necessity for the nation. Unity of money is impossible for that great nation which all commercial peoples form. No one desires it, or dreams of it. But a uniform metallic money is possible, and for the very reasons which Lord Liverpool gives, desirable, and that is what I advocate. Some objectors are satisfied to accept, without inquiry, their own or other men's statement, that what I advocate is impossible. My answer is, that it is not only not impossible, but has been practically done for seventy years in this century, and will be done again."

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* See *Journal* for March, 1883, pp. 165–169.

† In confirmation of these views, the opinion of Mr. Giffen given on the discussion following Mr. Goschen's address (see *Journal* for May, 1882, p. 293), is referred to.

There can be no doubt that new ground has been taken up in this controversy. As previously stated, men's minds are engaged now on the very practical questions arising out of continuous low prices and long existing depression in many, if not most branches of commerce ; and Mr. Gibbs, moving with the times, and believing that the day for academic argument has passed, does not hesitate to see, in the position of the gold question, a reason for the evils so many bewail, and to express his conviction that their cure is to be found in the adoption of the double standard.

THE NATIONAL DEBT ACT, 1883.

THE passing of the Act 46 & 47 Vict., c. 54, marks the commencement of an important epoch in the history of our National Debt, and affords fresh evidence of the determination of those responsible for the finances of the country to maintain and increase the efficiency of the provisions for the reduction of the public debt.

In the Sinking Fund Act, 1875 (38 & 39 Vict., c. 45), passed while Sir Stafford Northcote was Chancellor of the Exchequer, provision was made for the permanent application of a sum of £28,000,000 per annum to the service of the Debt, the portion of this sum not required to defray the annual charges specified in the Act being applicable as a New Sinking Fund, and this "Permanent Annual Charge" was subsequently increased, to meet the charges for temporary additions to the Debt, to £29,003,672 12s. Under this arrangement a sum equal to the amount of terminable annuities that will expire in 1885 (£6,061,245 18*s.* 9*d.*), would from that date, without any further legislation, have been annually applicable, as a Sinking Fund, to the purchase of stock to be cancelled, in addition to the sums otherwise available for that purpose.

The Act of 1883 maintains the principle that continuous and steady efforts should be made to extinguish debt, and provides for the effective and convenient application of the principle in the exceptional circumstances arising in consequence of the expiration of so large an amount of terminable annuities in 1885. It does this, moreover, in a form that substitutes the assurance of a definite contract for a fixed period for an arrangement liable, in circumstances of more or less pressure, to be modified or set aside.

The most important provisions of the Act take effect immediately, and the following operations have been already carried out:—

1. Stock held by the National Debt Commissioners on account of savings banks has been cancelled, viz.:—		
Consolidated 3 per cent. annuities	£6,086,538	
New 3 per cent. annuities ...	16,567,822	
Reduced 3 per cent. annuities	7,587,548	
		£30,241,908
2. Consolidated 3 per cent. annuities held by the Paymaster-General on behalf of the Court of Chancery have been cancelled		40,000,000
Total amount of permanent annuities cancelled ...		£70,241,908

3. Terminable annuities held by the National Debt Commissioners, expiring in 1885, have been cancelled, viz :—						
Annuities per Act 23 and 24 Vict., c. 109, and subsequent Acts ...	£588,003	11	6			
Annuities per Act 35 and 36 Vict., c. 68 ...	378,831	0	0			
Annuities per Act 29 Vict., c. 5, and 32 and 33 Vict., c. 59 ...	3,617,845	0	0			
Annuities per Act 43 Vict., c. 15	550,583	0	0			
				£5,135,262	11	6
4. The annuity, per Act 44 and 45 Vict., c. 54, expiring 1906, held by the National Debt Commissioners on account of Post Office savings banks, has been redeemed by a payment of £500,000, to the amount of				60,282	10	0
Total amount of terminable annuities cancelled ...				£5,195,545	1	6

5. There have been created, in lieu of the permanent annuities held by the National Debt Commissioners on account of savings banks that have been cancelled, three sets of annuities, each set of the aggregate amount of £1,200,000, the first set expiring in 1888, the second in 1892-3, and the third in 1898 ...	£3,600,000
6. There has been created, in lieu of the Consolidated 3 per cent. annuities held by the Paymaster-General on behalf of the Court of Chancery that have been cancelled, an annuity for twenty years, expiring 1903	2,665,835
7. There have been created, in lieu of the terminable annuities, expiring 1885, held by the National Debt Commissioners, that have been cancelled, annuities for twenty years, expiring 1903, of the aggregate amount of ...	683,374
Total amount of terminable annuities created	£6,949,209

These operations leave the following terminable annuities, expiring in 1885, still outstanding, viz. :—

Annuities for 30 years per Act 18 Vict., c. 18	£116,000	0	0
Annuities per Act 26 Vict., c. 14... ...	9,983	7	3
Annuities per Act 43 Vict., c. 15... ...	800,000	0	0
	£925,983	7	3

Under the provisions of Section 9 of the Act, the terminable annuities of £3,600,000 created in exchange for stock held for savings banks, will, as regards that part that represents interest, say £907,257 per annum, be applied to the purposes for which the dividends on the perpetual annuities that have been cancelled would have been used, and the balance, £2,692,743, which will be a repayment of principal, will be available for re-investment in the purchase of fresh stock.

In the same Section it is provided that, out of the annuity of £2,665,835 created in exchange for £40,000,000 of stock held on behalf of the Court of Chancery that has been cancelled, only £1,200,000 per annum, the sum equivalent to the dividend on the stock cancelled, shall be paid to the Paymaster-General, and that the balance, £1,465,835, shall be invested by the National Debt Commissioners in the purchase of perpetual annuities in their names, on account of the Supreme Court of Judicature.

Thus, out of these two annuities, during the first year after their creation, a sum of about £4,158,578 will be available for re-investment in the purchase of stock, and in subsequent years the same sum, plus the amount of the dividends on the stock purchased, will be similarly available.

An important feature of the Act is the provision in Clause 4, of Section 2, for the renewal of the terminable annuities of £3,600,000, held by the National Debt Commissioners on account of savings banks. These annuities, as they expire, are to be replaced by fresh annuities, for 15 years, of such amount as is equivalent to the expiring annuity, plus a sum equal to the amount of the annual interest on the perpetual annuities converted into such new annuity; and provision is made for the continuance of this operation, which is to a certain extent an adoption of the plan of repeating annuities proposed by Mr. Hubbard, until the 31st March, 1904.

In a future number of the *Journal* it is hoped to give a memorandum showing the working of this provision, and the approximate amount of debt that will be cancelled thereby up to 1904.

The Act is reprinted herewith *in extenso*, for the convenience of reference.

NATIONAL DEBT ACT, 1883.

[46 & 47 VICT. CH. 54.]

ARRANGEMENT OF SECTIONS.

CHAPTER 54.

An Act to make further provision respecting the National Debt, and the Investment of Moneys in the hands of the National Debt Commissioners on account of Savings Banks, and otherwise. [25th August, 1883.]

WHEREAS by the Sinking Fund Act, 1875 (38 & 39 *Vict.*, *c.* 45), a fixed annual sum of twenty-eight million pounds was charged on the Consolidated Fund as the permanent annual charge for the national debt:

And whereas various annuities payable out of such permanent annual charge will expire in the year one thousand eight hundred and eighty-five:

And whereas the National Debt Commissioners hold large sums of perpetual annuities on account of trustee savings banks, and Post Office savings banks, and in pursuance of divers Acts, and lastly of the Savings Bank Investment Act, 1866 (29 & 30 *Vict.*, *c.* 5), certain portions of those perpetual annuities have been converted into terminable annuities ending in the year one thousand eight hundred and eighty-five:

And whereas it is proposed to convert certain other portions of the said perpetual annuities into such terminable annuities as hereinafter mentioned payable out of the permanent annual charge for the National Debt:

And whereas under the Savings Banks Investment Act, 1866, the Treasury have power from time to time to convert into terminable annuities such amount of perpetual annuities held by the National Debt Commissioners on account of post office savings banks as the Treasury think expedient, and it is expedient for the purpose of carrying into effect the said proposal to confer such powers as hereinafter mentioned to convert into terminable annuities perpetual annuities held by the said Commissioners on account of both trustee and Post Office savings banks:

And whereas in pursuance of the Chancery Funds Act, 1872 (35 & 36 *Vict.*, c. 44), perpetual annuities to an amount exceeding sixty-one million pounds capital stock were on the thirty-first day of December, one thousand eight hundred and eighty-two, standing to the account of "the Paymaster-General, for "the time being, on behalf of the Court of Chancery," in trust for the suitors of the High Court of Justice, in accordance with the said Act:

And whereas it is expedient to convert a portion of the said perpetual annuities held by the Paymaster-General, not exceeding in the whole forty million pounds capital stock, into terminable annuities ending within a period not exceeding twenty years, subject to such provision as hereinafter mentioned for the security of the suitors:

And whereas it is expedient to provide for the adjustment from time to time of the terminable annuities into which, under this Act or under the Savings Bank Investment Act, 1866, any perpetual annuities shall be converted, so as to prevent any loss or gain arising to the said Commissioners or the Paymaster-General from such conversion:

And whereas it is expedient to make further provision respecting the securities held by the National Debt Commissioners:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Short Title.

1. This Act may be cited as the National Debt Act, 1883.

Conversion of part of the Perpetual Annuities held by National Debt Commissioners on account of Trustee and Post Office Savings Banks into Terminable Annuities.

2. (1.) The Treasury shall from time to time in manner provided by this Act convert into terminable annuities of such amounts as hereinafter mentioned such amount of perpetual annuities held by the National Debt Commissioners on acconnt of trustee savings banks, and of Post Office savings banks, or on either of those accounts, as may be of equivalent capital value.

(2.) The first terminable annuities created in pursuance of this section shall amount in the whole to three million six hundred thousand pounds, and shall be divided into three sets, each of which sets shall be for annual sums amounting in the whole to one million two hundred thousand pounds.

(3.) The annuities in one of such sets shall be for periods of five years, and shall terminate within five years from the thirty-first day of March, one thousand eight hundred and eighty-four; the annuities in another of such sets shall be for periods of ten years, and shall terminate within ten years from the same day; and the annuities in the third of such sets shall be for periods of fifteen years, and shall terminate within fifteen years from the same day.

(4.) On the expiration of any terminable annuity created in pursuance of this section, whether originally or on the expiration of another annuity, a new annuity shall be created (by conversion of a sufficient portion of the said perpetual annuities) for a period of fifteen years from the date of such expiration, and of such annual amount as is equivalent to the expiring terminable annuity with the addition of a sum equal to the annual interest on the perpetual annuities converted into the new annuity. Provided that the power under this section of creating any annuity shall not unless continued by Parliament be exercised after the thirty-first day of March, one thousand nine hundred and four.

(5.) The annuities created under this section may be increased above or reduced below the amounts above named for the purpose of such adjustment as is provided by this Act.

Conversion of Perpetual Annuities held by Chancery Paymaster into Terminable Annuities.

3. The Treasury may, in manner provided by this Act, from time to time convert such amount of perpetual annuities standing to the account of the Paymaster General as the Treasury think expedient, not exceeding in the whole forty million pounds capital stock, into such terminable annuities for periods not exceeding twenty years as will terminate within twenty years from the thirty-first day of March, one thousand eight hundred and eighty-four, and may be of equivalent capital value.

Provision to prevent Loss or Gain to National Debt Commissioners and Paymaster-General from Conversion.

4. In case of the conversion under this Act, of any perpetual annuities into a terminable annuity, the Treasury shall, at the cost of the Consolidated Fund, secure the National Debt Commissioners and the Paymaster-General, as the case requires, against any loss arising by means of such conversion, and for the purpose of preventing any loss or gain arising to the National Debt Commissioners or the Paymaster-General from such conversion, the following provisions shall have effect:

(*a*.) On any such conversion of perpetual annuities into a terminable annuity, the National Debt Commissioners shall cause a table to be framed and certified under the hands of the Controller General or Assistant Controller and of the Actuary of the National Debt Office, which table shall show, according to the basis on which the terminable annuity is calculated, the particulars herein-after mentioned respecting the application of the terminable annuity; and at least once in every five years, and oftener if so required by the Lord Chancellor or the Treasury, the National Debt Commissioners shall cause to be submitted to the Treasury an account with the particulars herein-after mentioned showing the result of such application of the terminable annuity; and the Treasury shall in manner provided by this Act adjust, as nearly as practicable, the terminable annuity so as to bring the result into conformity with the table, and a return of any such adjustment shall be laid before both Houses of Parliament.

(*b*.) Where the perpetual annuities converted were held by the Paymaster-General on behalf of the High Court of Justice, the table shall show the amount of perpetual annuities to be periodically replaced by means of the terminable annuity, and the account of the result shall show the amount of perpetual annuities actually so replaced, and the table and account shall be submitted to the Lord Chancellor before any adjustment is made.

(*c*.) Where the perpetual annuities converted were held by the National Debt Commissioners, the table shall show the capital to be periodically replaced by means of the annuity, and the account shall show, so nearly as the transactions of the National Debt Commissioners allow, the result of the application of the terminable annuity as compared with the said table.

(*d*.) If at any time the Lord Chancellor certifies to the Treasury, that by reason of the conversion under this section of perpetual annuities of any description into a terminable annuity, the Paymaster-General is unable to meet the claims of the suitors of any Division of the Supreme Court to that description of perpetual annuities, the Treasury shall forthwith create such perpetual annuities as appear to them to be required to meet those claims, so that the amount so created do not exceed the amount of the said perpetual annuities converted after deducting the amount replaced; and thereupon the terminable annuity shall be adjusted as is above in this section mentioned.

Exchange of Portion of Annuities terminating in 1885 *for Longer Terminal Annuities.*

5. For the purpose of facilitating the aforesaid conversion of perpetual annuities into terminable annuities, the Treasury may, in manner provided by this Act, exchange such of the existing terminable annuities specified in the schedule to this Act, (which are held by the National Debt Commissioners on account of trustee savings banks or Post Office savings banks, and terminate in the year one thousand eight hundred and eighty-five,) as the Treasury think expedient, not exceeding in the whole the annual sum of five million one hundred and thirty-five thousand two hundred and sixty-three pounds, for such new terminable annuities for periods not exceeding twenty years, as may be of equivalent capital value; and the capital value of the existing annuities shall be deemed to be their present value ascertained on the basis of the rate of interest yielded by three per cent. perpetual annuities at the average price of the day as certified by the Bank of England on the day of the exchange, and in calculating the capital value of the new annuities the interest shall be taken at the same rate.

Extension of term for Terminable Annuity upon conversion of Three per Cents. held by National Debt Commissioners into Two-and-a-half per Cents.

6. Whereas by the Savings Banks Act, 1863, the Treasury were empowered to convert portions of the three per cent. perpetual annuities held by the National Debt Commissioners on account of Post Office savings banks into an equal amount of two and a half per cent. perpetual annuities, and to pay the difference in value by a terminable annuity ending on the fifth day of April one thousand eight hundred and eighty-five, and it is expedient to extend the period for the said terminable annuity; be it therefore enacted as follows:

Any terminable annuity created in pursuance of the above-recited enactment of the Savings Banks Act, 1863 (26 *&* 27 *Vict.*, *c.* 14.), may be for a term not exceeding twenty years from the date of the creation thereof.

Redemption of part of Terminable Annuities under 44 & 45 *Vict.*, *c.* 54.

7. Whereas in pursuance of the Indian Loan Act, 1881, the Treasury have converted into a terminable annuity of one hundred and fifteen thousand, eight hundred and sixty-four pounds, ten shillings, for a period ending on the fifth day of July, one thousand nine hundred and six, the sum of two million, forty-nine thousand, two hundred and fifty-nine pounds, five shillings and ninepence, Three per Cent. Consolidated Bank Annuities, held by the National Debt Commissioners on account of Post Office savings banks;

And whereas it is expedient to authorise the Treasury to redeem a portion of the said terminable annuity, and upon such redemption to reduce the annual sum of one hundred and twenty thousand pounds, by which the permanent annual charge for the National Debt was increased by section three of the above mentioned Act: Be it therefore enacted as follows:—

(1.) The Treasury shall at such times as they think fit before the first day of April next after the passing of this Act pay out of the Consolidated Fund or the growing produce thereof the sum of one million pounds to the National Debt Commissioners, and upon that payment shall cancel such portion of the said terminable annuity held by the National Debt Commissioners, as is of equivalent capital value to the sum so paid, ascertained on the basis of the rate of interest yielded by the Three per Cent. Consolidated Bank Annuities at the average price of the day as certified by the Bank of England on the day of payment.

(2.) The Treasury may cancel the said portion of the terminable annuity by a warrant to the Governor and Company of the Bank of England directing them to cancel in their books that portion of the said annuity.

(3.) The sum paid to the National Debt Commissioners in pursuance of this section shall be applied by them in like manner as other moneys in their hands on account of Post Office savings banks.

(4). The permanent annual charge of the National Debt shall, during the currency of the terminable annuity created under the Indian Loan Act, 1881, be reduced by the amount of the portion cancelled in pursuance of this section, and the Sinking Fund Act, 1875, as amended by section three of the Indian Loan Act, 1881, shall be construed accordingly.

Supplemental Provisions as to Conversion and Creation of Annuities.

8. For the purposes of this Act the following provisions shall have effect:—

(1.) The conversion or exchange of one class of annuities into or for another class of annuities, and the adjustment of a terminable annuity, shall be effected by a warrant of the Treasury to the Bank of England directing them to cancel in their books, as from the date of conversion or exchange specified in the warrant, annuities of such class, and standing in such names and of such an amount as is mentioned in the warrant, and by the creation (by the same or another warrant) in the same names of such annuities as the case requires.

(2.) Terminable and perpetual annuities shall be created by a warrant from the Treasury to the Bank of England directing them to inscribe in their books, as from the date of creation specified in the warrant, terminable annuities of the amount and for the periods mentioned in the warrant, or as the case requires, perpetual annuities of the amount and description mentioned in the warrant.

(3.) The amount of any annuities so to be cancelled or created shall be certified to the Treasury by the National Debt Commissioners under the hands of the Controller-General or Assistant Controller and of the Actuary of the National Debt Office.

(4.) The equivalent capital value shall, save as otherwise provided by this Act, be calculated as follows:

(*a*.) in the case of any terminable annuities, into which any perpetual annuities are to be converted, the interest shall be taken at the rate of interest yielded by the said perpetual annuities at the average price of the day as certified by the Bank of England on the date of conversion.

(*b*.) the capital value of perpetual annuities shall be calculated at the average price of the day as certified by the Bank of England on the date of creation or conversation as the case may be.

(5.) The date of conversion, the date of creation, and the date of exchange shall respectively be, save as otherwise specified in this Act, such day as may be in each case agreed on between the Treasury and the National Debt Commissioners.

(6.) The annuities terminable or perpetual, or any part thereof, directed by any warrant under this Act to be cancelled shall, after the date specified in the warrant, be cancelled, and all payments in respect thereof shall cease.

(7.) All annuities terminable or perpetual created under this Act shall, after the date of creation, be charged on the Consolidated Fund and the growing produce thereof, and shall be payable out of the permanent annual charge for the national debt yearly, half yearly or quarterly at such times in each year as may be fixed by the warrant creating them.

(8.) All perpetual annuities created in pursuance of this Act shall be consolidated with other perpetual annuities of the same description and payable at the same date, and shall be transferable in the books of the Bank of England in like manner as the annuities with which they are consolidated, and shall be subject to the enactments relating to those annuities so far as is consistent with the tenor of those enactments.

Supplemental provisions as to application of Terminable Annuities.

9. (1.) Any terminable annuity payable to the National Debt Commissioners in respect of the conversion under this Act of any perpetual annuities held by them shall, so far as it represents interest, be dealt with as the dividends on the said perpetual annuities would have been applied, and so far as it represents principle shall be dealt with by them as moneys received on account of trustee or Post Office savings banks.

(2.) When any perpetual annuities have in pursuance of this Act been converted into a terminable annuity payable to the Paymaster-General, that terminable annuity shall be paid to the National Debt Commissioners, who shall thereout pay to the Paymaster-General such amount as would, but for the conversion, be for the time being payable as dividends on the said perpetual annuities converted (to be applied by him in like manner as the dividends for the time being payable on those annuities), and shall from time to time invest the residue in the purchase of perpetual annuities in the names of the National Debt Commissioners on account of the Supreme Court of Judicature, and shall invest from time to time in like manner the dividends received on such investments and on any accumulations thereof.

(3.) At any time the National Debt Commissioners shall, if so required by the Lord Chancellor, transfer to the account of the Paymaster-General all or any of the annuities so purchased, and the amount of the dividends on the annuities so transferred and on any perpetual annuities created in compliance with a certificate of the Lord Chancellor under this Act, shall be deducted from the amount periodically payable by the National Debt Commissioners to the Paymaster General for dividends under this section.

(4.) On the termination of the terminable annuity, the National Debt Commissioners, out of the annuities purchased on account of the Supreme Court of Judicature under this section, shall transfer to the account of the Paymaster-General such amount of perpetual annuities as would but for the conversion into the said terminable annuity have been then held by the Paymaster-General after deducting the amount of annuities transferred in pursuance of this section or created in compliance with a certificate of the Lord Chancellor; and if the amount of perpetual annuities so purchased is less than the amount so required to be transferred, the Treasury shall in manner provided by this Act create such amount of perpetual annuities as is required to meet the deficiency, and if the amount so purchased exceeds the amount required to be transferred, the surplus shall be cancelled in such manner as the Treasury may by warrant direct.

Warrants to be authority for Bank of England.

10. The warrants of the Treasury issued in pursuance of this Act shall be a sufficient authority to the Bank of England for doing the things thereby directed, and copies of such warrants shall be laid before both Houses of Parliament within one month after they are issued if Parliament is then sitting, and if not, within one month after the then next meeting of Parliament.

Definitions.

11. In this Act, unless the context otherwise requires—

The expression "Treasury" means the Commissioners of Her Majesty's Treasury:

The expression "Lord Chancellor" means the Lord High Chancellor of Great Britain or the Lord Keeper or Commissioners of the Great Seal of Great Britain:

The expression "National Debt Commissioners" means the Commissioners for the Reduction of the National Debt:

The expression "Bank of England" means the Governor and Company of the Bank of England:

The expression "perpetual annuities" means three and a half per cent. bank annuities, three per cent. consolidated bank annuities, three per cent. reduced bank annuities, new three per cent. bank annuities, and two and a half per cent. bank annuities, or any of such annuities.

The expression "trustee savings bank" means a savings bank to which the Trustee Savings Bank Act, 1863 (26 & 27 *Vict.*, *c.* 87) extends.

The expression "Paymaster-General" means the Paymaster-General for the time being on behalf of the Court of Chancery under the provisions of the Court of Chancery Funds Act 1872 (35 & 36 *Vict.*, *c.* 34.) or the Paymaster-General for the time being for and on behalf of the Supreme Court of Judicature under the provisions of the Supreme Court of Judicature (Funds, &c.) Act, 1883 (46 & 47 *Vict.*, *c.* 29).

SCHEDULE.

Annuities to be Exchanged. (*See Clause* 5.)

1. Annuities created for fortifications under 23 & 24 Vict., c. 109, and subsequent Acts	588,003	11	6
2. Annuities created for localization of the military forces under 35 and 36 Vict., c. 68	378,831	0	0
3. Annuities created, in lieu of stock held on account of savings banks, under 29 Vict., c. 5, and 32 & 33 Vict., c. 59.	3,617,845	0	0
4. Portion of annuities created under National Debt Act, 1880 (43 Vict., c. 15.)	550,583	0	0
	5,135,262	11	6

LEGAL DECISIONS AFFECTING BANKERS.

LEEDS AND COUNTY BANK, LIMITED, *v.* WALKER.

(Reported in full, see next page.)

On the 29th May, 1880, Mr. Walker paid to the Leeds and County Bank, with other monies, a Bank of England note for £100. The note was believed by all parties to be good, but its number and date had been fraudulently altered. The alteration was not apparent to anyone except the Bank of England.

On the 17th June, 1880, the note was returned to the Leeds Bank as a bad note refused by the Bank of England, and on 22nd July the Leeds Bank demanded of Mr. Walker the return of the £100. He refused, and this Action was commenced on 21st July, 1882.

On the 18th August, 1882, the Bills of Exchange Act, 1882, received the Royal Assent. By section 64 it is in effect provided that the holder in due course of a Bill which has been altered may enforce payment of it according to its original tenor, provided the alteration is not apparent. By section 89 the provisions of the Act relating to Bills apply with "the necessary modifications" to Promissory Notes.

Mr. Justice DENMAN held :—

That the right of the bank to recover the money was not prejudiced by their omission to give earlier notice of the badness of the note.

That the 64th section of the Act was not intended to apply to such a document as a Bank of England note altered fraudulently.

That if the parties sought to be bound (in this case the Bank of England) can at once discern by some incongruity on the face of the note, and point out to the holder that it has been materially and fraudulently altered, the alteration is an *apparent* one within the meaning of the 64th section, although it is not an obvious one to all mankind.

Finally, that the Act is not retrospective, and that as the Action was brought before the Act came into operation, the law must be taken to have been as laid down in *Suffell* v. *The Bank of England* (*Journal of the Institute*, vol. III., p. 568, December, 1882), where it was held that the Bank of England were by the alteration absolved from liability on the note.

LEEDS AND COUNTY BANK, LIMITED, *v.* WALKER.

Bank of England—Note—Material alteration—Bonâ fide transfer for value—Rejection by Bank—45 & 46 Vict., c. 61 (*Bills of Exchange Act*, 1882), *ss.* 64, 89—*Worthless Document—Action for money paid to Transferor.*

A Bank of England note, which had been materially altered in number and date, was paid to the plaintiffs' bank for value by the defendant, both parties believing the note to be good. The plaintiffs paid away the note, which was afterwards presented at the Bank of England, where the alteration was perceived, and payment was refused. The note was returned to the plaintiffs as a bad one, and after a fortnight spent in tracing the note to the defendant, the plaintiff demanded payment of it from him, and on the 21st of July. 1882, sued him for the amount.

On the 18th of August, 1882, the Bills of Exchange Act, 1882 (45 & 46 Vict., c. 61) received the royal assent. By s. 64, where a bill or acceptance is materially altered, without the assent of all parties liable on the bill, the bill is avoided except as against a party who has himself made the alteration, and subsequent indorsers. Provided, that where a bill has been materially altered, but the alteration is "not apparent," and the bill is in the hands of a holder in due course, such holder may avail himself of the bill as if it had not been altered, and may enforce payment of it according to its original tenor. By s. 89 the provisions of this Act relating to bills of exchange apply "with the necessary modifications," to promissory notes :—

Held, that the doctrine as to notice of infirmity in bills and notes was inapplicable to a forged Bank of England note, and that the delay in giving notice of the alteration to the defendant was no ground of defence; that before the Bills of Exchange Act, 1882, the Bank of England was not liable on the altered note: *Suffell v. Bank of England* (9 Q. B. D. 555); which was therefore worthless; that s. 64 was not retrospective, and that even if it were so, the "necessary modifications" referred to in s. 89 would exclude Bank of England notes altogether from the operation of s. 64, and that even if the proviso of s. 64 would otherwise have affected the altered bank note, the alteration was "apparent," as the Bank of England could at once discern and point out to the holder of the note that it had been materially altered, although the alteration was not obvious to everybody; and consequently, that the plaintiffs, having received from the defendant a worthless note on which no one could be sued, were entitled to recover in the action for money had and received.

FURTHER CONSIDERATION by Denman, J.

The facts and arguments appear in the judgment. In addition to the cases therein mentioned—

Forbes, Q.C., and *Cyril Dodd*, for the plaintiffs, cited Leake on Contracts, p. 897; *Cox* v. *Prentice* (1); Wilberforce on Statutes, p. 157; *Hitchcock* v. *Way* (2); *Durrant* v. *Ecclesiastical Commissioners* (3).

A. Wills, Q.C., and *W. Gainsford Bruce*, for the defendant, cited *Clough* v. *London and North Western Railway Company* (4); *Turner* v. *Stones* (5); Byles on Bills, 13th ed. 214; *Ex parte Bird. In re Bourne* (6).

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(1) 3 M. & S. 344.
(2) 6 Ad. & E. 943.
(3) 6 Q. B. D. 234.
(4) Law Rep. 7 Ex. 26.
(5) 1 D. & L. 122.
(6) 4 De G. & S. 273.

DENMAN, J.—This case came on to be tried before me without a jury at the last Leeds Assizes. The facts were then stated and agreed to, and it was arranged that I should hear the case argued in London, which I did last week. The facts were as follows: In 1879 and 1880 the plaintiffs, who were a banking company carrying on business at Leeds, had a customer named Dickenson, a provision dealer at Leeds. In December, January, and February, 1880, he paid in to his account three bills of exchange for £65, £40, and £50 respectively, accepted by one Wilson. These were credited by the plaintiffs to Dickenson's account. On the 30th of March, 1880, Wilson paid £20 on account of the first of these bills, leaving £135 still due from him as acceptor. On the 2nd of April, 1880, Dickenson filed a petition for liquidation. All the bills were dishonoured, and the bank applied to Wilson as acceptor for payment of the bills. A few days before the 29th of May, 1880, the defendant Walker, a solicitor, sent his clerk to the plaintiffs' bank, and asked for a little time for Wilson to take up the dishonoured bills, stating, through his clerk, that he, Walker, was arranging for a loan for Wilson to take up his acceptances. On the 29th of May, 1880, the same clerk, acting for the defendant, called at the plaintiffs' bank, and gave the plaintiffs two £100 Bank of England notes, which all parties believed to be good Bank of England notes, and received in exchange the three acceptances (on which Wilson was still liable for £135) and £63 15*s*. in cash. One of these notes had been altered both in number and in date. The plaintiffs, on the 29th of May, credited Dickenson's estate in liquidation with the £200 which they supposed they had received. The entry in the plaintiffs' Book of Estates in Liquidation was "29th of May, 1880, By Wilson £136 5*s*.," and another entry in their books of the same transaction was, "Paid by re C. Wilson, £136 5*s*.," and on the 1st of June, 1880, they paid the altered note to a building society having an account with them, in exchange for a cheque. On the 17th of June the note in question was brought back as a bad note refused by the Bank of England, and with the words "The No. and date of this note have been altered," written across the face of it in red ink. The plaintiffs saw on the note a number which showed that it had passed through the hands of other bankers; but finding an entry in their Bank Note Register of the 29th of May, 1880, "Note received from J. Walker," shewing a customer of that name, they at first made inquiry in that direction, but owing to the absence of that J. Walker abroad, some delay took place before they discovered that he was not the person who had brought the cheque to them. On the 22nd of July they made a demand of the £100 represented by the altered note on the defendant, who then had notice that the note was bad, but declined to make good the amount on the ground to be mentioned presently. The history of the defendant's original possession of the note was as follows: the defendant

had another client named Armistead, who was entitled to a sum of £700 from the executors of his father's will. They drew a cheque for that sum on the 1st of October, 1879, on Messrs. Williams, Brown & Co., bankers at Leeds, payable to Butler & Co., solicitors, or order, who had endorsed it to Armistead. In April, 1880, that cheque had been given to Walker, the defendant, to be cashed; the defendant had presented it to Williams, Brown & Co., and received the note in question and the other £100 note as part of the cash for the cheque. Armistead having agreed to lend Wilson £150 to take up his acceptances at the plaintiffs' bank, the defendant then, as before mentioned, paid the cheque in question and obtained the acceptances, which he had since kept in his safe. It was admitted by the plaintiffs' counsel on the trial that if the note had been a good one the defendant would have held it merely for the purpose of carrying out the arrangement between Armistead and Wilson. It was also admitted by the defendant that out of the £63 15*s.* balance received by him from the plaintiffs' bank beyond the acceptances, he appropriated £13 15*s.* to payment to himself of a bill of costs due from Wilson to him, without any communication to Wilson, and that he paid the residue, £50, to Armistead on the 30th of June, 1880.

These being the admitted facts of the case, the plaintiffs' counsel contended that the plaintiffs had a right to recover back the amount of the note from the defendant Walker, and likened the case to that of *Jones* v. *Ryde* (7), in which it was held that where a person discounted with another a forged navy bill, both parties being ignorant of the forgery, an action for money had and received would lie. *Gompertz* v. *Bartlett* (8) was also cited, in which the same principle was applied to the case of an unstamped bill of exchange purporting to be a foreign bill, but drawn in this country, and therefore unavailable for want of a stamp. The general principle laid down in those cases was not disputed; but it was contended that the plaintiffs were not entitled to recover in the present case on several grounds. First, it was argued that the defendant was not liable because the transaction in question was not one between the plaintiffs and the defendant, but that the defendant acted as the agent either of Wilson or of Armistead in the matter; and that the plaintiffs dealt with him only in one or other of those capacities. I heard a very able argument on both sides as to whether the defendant acted as the agent of Wilson or of Armistead at the several stages of his dealings with the note in question; in originally taking it from Messrs. Wilson & Brown, in taking it to the bank for Wilson, and in receiving the acceptances and money for it from the plaintiffs; but whatever might be the true solution of several of the questions raised, I am of opinion that in the present case there is no evidence which would justify me in holding that the bank dealt with the

(7) 5 Taunt. 488. (8) 2 E. & B. 849.

defendant in the capacity merely of Wilson's agent, of whom they knew nothing except that he was the acceptor of the bills, still less that they dealt with him as Armistead's agent, of whom they knew nothing. All that concerned them was to have cash for the amount of the acceptances, and on the receipt of what they believed to be two Bank of England notes for £100 each, they gave up the acceptances, and cash to the amount of £63 15*s*. for the balance of the nominal amount of the two notes. I think it is clear that they could not have sued Wilson upon the discovery of the badness of the note; nor Armistead. That particular note for £100, which was afterwards discovered to be altered, was never so appropriated to Wilson that the defendant might not have paid the money to the plaintiffs in any other shape. There was no privity as regards that particular note between the bank and any other person but the defendant. I think, therefore, that if anybody is liable to the plaintiffs, it is the defendant. But it was contended further that the defendant was not liable because the bank were guilty of laches in not sooner giving notice to the defendant of the badness of the note, and several cases were cited by Mr. Wills in which parties have been held not entitled to recover in actions on bills and notes on this account. The case of *Camidge* v. *Allenby* (9) was relied upon; but I think that case is clearly distinguishable from the present. There the instruments in question were promissory notes of a bank which had stopped payment on the morning on which the notes were taken. They were kept for some days without notice of the insolvency of the bankers, and the Court held that inasmuch as they were "in point of law promissory notes," and "operated as payment" (10) notice was requisite. In the judgment of Liddledale, J., this is clearly stated (11) as the ground of the decision. "If they were taken as money absolutely and without any condition, then the plaintiff took them for whatever they might be worth. It would be otherwise if they were forged, for then they would not be what they purported to be. But here they were what they purported to be." In the present case it was admitted that the note in question having been altered in a material part for some fraudulent purpose was in law a forgery, and that subject to any alteration in the law created by the Bills of Exchange Act, 1882 (45 & 46 Vict. c. 61), or to the effect of that Act upon the decision of the Court of Appeal in *Suffell* v. *Bank of England* (12), it was an instrument upon which no action could be brought against the Bank of England. Other cases were relied upon by the defendant as to the necessity of giving notice of the infirmity of the note or bill, in order to enable the plaintiff to take advantage of such infirmity; but I think none of them were applicable to the case of a forged Bank of England note upon which

(9) 6 B & C. 373. (10) See per Holroyd, J., 6 B. & C. 384.
(11) 6 B. & C. 385. (12) 9 Q. B. D. 555.

no other person can be liable except the bank itself, and in the case of which there is nothing to prevent the person sued for the money paid in error from suing the person to whom he may have given cash in error, and so on ad infinitum, subject only to the Statute of Limitations. *Smith* v. *Mercer* (13) was decided on grounds wholly inapplicable to the case of a forged Bank of England note. Dallas, J., concludes his judgment thus: "The ground on which I rest my opinion, and to which I wish to confine it, is the want of due caution in having paid the bill, the effect of which has been to give time to different parties, which the plaintiffs were not authorized to do;" and Heath, J., and Gibbs, C.J., give similar reasons for their judgments. Chambre, J., dissented from the majority, thinking that the case fell within the general law, which is thus stated by Heath, J., at p. 86 of his judgment, "that money paid without consideration upon an instrument which proves to be of no value may be recovered back." *Cocks* v. *Masterman* (14), again, was decided solely on the ground that the neglect to give notice of the forgery on the day on which the bill become due might deprive the holder of his right to take steps against the parties to the bill on the day on which it became due, a ground wholly inapplicable to the case of a Bank of England note on which the bank alone is liable (if any one is), but which, if forged, is a mere nullity unless made available for any purpose by the statute to be now referred to. That statute is the Bills of Exchange Act, 1882 (45 & 46 Vict., c. 61), and it is contended that that Act has virtually overruled the decision of the Court of Appeal in *Suffell* v. *Bank of England* (15), and that notwithstanding the refusal of the bank to honour the note in question in June, 1880, it must now be held that at that time they were in law bound to pay the £100, and that the plaintiffs not having insisted on their right in that respect are either not entitled to recover as upon a failure of consideration, or at all events only entitled to recover nominal damages. Sect. 64 of the Act runs as follows: "Where a bill or acceptance is materially altered without the assent of all parties liable on the bill, the bill is avoided except as against a party who has himself made . . . . the alteration," &c., provided that "where a bill has been materially altered, but the alteration is not apparent, and the bill is in the hands of a holder in due course, such holder may avail himself of the bill as if it had not been altered, and may enforce payment of it according to its original tenor."

I think there are several answers to this ground of defence. In the first place the statute in question by s. 2 contains a definition of the words "bill" and "note." The former means "bill of exchange," the latter "promissory note." The Act there contains several provisions relating wholly to "bills" Sects. 3 to 72 inclusive. These constitute part II. of the Act. Then follow ten

(13) 6 Taunt. 76, at p. 82. (14) 9 B. & C. 902. (15) 9 Q. B. D. 555.

clauses wholly relating to cheques on bankers. These constitute part III. of the Act. Then follow the provisions of part IV. (ss. 83, 89) headed "promissory notes," and by s. 89, it is provided that the provisions of the Act relating to bills apply with the necessary modifications to promissory notes. It appears to me that this clause was never intended to cover, and has not the effect of covering, such a document as a Bank of England note, altered fraudulently so as to fall within the decision of *Suffell* v. *Bank of England.* (16) Bank or England notes differ in many respects from ordinary promissory notes. They are payable without indorsement to any holder who may present them. They are a legal tender for the amounts represented by them. I think that one "necessary modification" in applying s. 64 of the Act to promissory notes, is a modification amounting to an exclusion of Bank of England notes altogether from the operation of s. 64 of the Act. But, even if this be not so, s. 64 only applies where the alteration is "not apparent." In the present case I think it was apparent. By the word "apparent" I do not think it is meant that the holder only should not have had the means of detecting the alteration. If the party sought to be bound can at once discern by some incongruity on the face of the note, and point out to the holder that it is not what it was, that is to say, that it has been materially and fraudulently altered, I think the alteration is an "apparent" one, even if it is not an obvious one to all mankind. But I am further of opinion that in the absence of anything in the Act to shew that it is to have a retrospective operation, it cannot be so construed as to have the effect of altering the law applicable to the note in question as it existed in 1880, and down to the time when the present action was brought, viz., the 21st of July, 1882. The Act itself was not passed till the 18th of August in the same year. The defendant had then for two years had the acceptances given up by the plaintiffs in his possession, he had paid over £50 to Armistead of which the plaintiffs knew nothing, and had appropriated £13 15*s.* to his own bill of costs. At the time when it is alleged the plaintiffs might have sued the Bank of England on the note, the law must be taken to have been as laid down in the case of *Suffell* v. *Bank of England* (17), unless the 45 & 46 Vict., c. 61, s. 64, is to be taken to be equivalent to a declaratory enactment amounting to a declaration that that decision at the time was wrong. I do not find words strong enough to have any such operation. The general principle is clear, that statutes do not have a retrospective operation: (see Maxwell on the Interpretations of Statutes, p. 190). I see no reason for giving s. 64 any such operation in the present case. The case of *Steele* v. *McKinlay* (18) is no authority for so construing that section, for there were words in the Act there in

(16) 9 Q.B.D. 555. (17) 9 Q.B.D. 555. (18) 5 App. Cas. 754.

question expressly putting a construction on the words of a prior Act, after a recital that doubts had arisen, and that it was expedient that the meaning of the prior enactment should be declared. The case of *Quilter* v. *Mapleson* (19) was also relied upon for the defendant, but that case was decided solely upon the words of a statute entirely different from that in question, and involved no necessity of giving a retrospective operation to its words, on the contrary, they were held to operate prospectively as regards the particular question which arose upon the appeal which was in the nature of a rehearing in that case. I am of opinion that the law as laid down in *Suffell* v. *Bank of England* (20) by the Court of Appeal, is that which I must hold to be applicable to the present question, and that the plaintiffs, having received the note in question from the defendant, received a worthless document, upon which nobody could be sued, and upon which no other party than the Bank of England could possibly have been held liable, and upon which the defendant may now recover back the amount he has paid upon it as soon as he has paid it to the plaintiffs. On these grounds I think the plaintiffs are entitled to judgment. I give judgment for them for £100 with costs.

Judgment for the plaintiffs.

Solicitors for plaintiffs: *Nelson, Barr & Nelson.*
Solicitors for defendant: *Paterson, Snow, & Bloxam.*

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(19) 9 Q. B. D. 672. (20) 9 Q. B. D. 555.

QUESTIONS ON POINTS OF PRACTICAL INTEREST.

The Council desire to express their readiness to receive at all times questions which are of general interest, and in regard to which it would appear desirable to assimilate the practice of bankers.

The following questions have been received, and answers are appended, which, after careful deliberation, the Council have approved:—

Question I.—Jones & Co. draw on their customer Brown, and by way of surety they get the bill endorsed by Smith. The bill is payable to their order, but when tendering it for discount they endorse it *after* Smith's signature, refusing to sign also *before* Smith, on the ground that if they do so, and the acceptor fails to meet the bill, although they could sue Smith, he would have recourse against them, and thus his endorsement would not avail as security. Can Jones refuse to endorse before Smith's signature?

Answer: Assuming the question to be whether Jones & Co. by endorsing the bill before, as well as after, Smith's signature would lose their right against him as surety; we are of opinion that if Jones & Co. preserve evidence to show that Smith endorsed the bill with the express object of making himself liable as surety their claim against him would not be prejudiced by such an indorsement.—See *Wilkinson* v. *Unwin*, reported in the *Journal* of the Institute, Vol. III., p. 110. The case of *Steele* v. *McKinlay*, referred to in the *Journal* of the Institute, Vol. II., p. 507, shows the importance of preserving clear evidence of the nature of the transaction. In that case, for want of such evidence the claim against the estate of the alleged surety failed.—The best evidence would be a letter from Smith admitting his suretyship.

Question II.—A., B., C. and D. have an account current with a bank as trustees of E., F. A., B. and C. sign a letter authorising the bank to pay cheques drawn upon the trust account signed by D. only. Is the banker safe in acting upon such authority (in case of fraud on the part of D.)?

Answer: This matter has been fully considered by the Council, (*see* pp. 304 and 365, in Vol. II. of the *Journal*,) the only difference in the present question being as to three out of four trustees empowering the fourth to act only, an authority which no banker would be justified in recognizing unless in strict accordance with the deed of trust.

QUESTION III.—A cheque payable to J. Jones, is endorsed "Transferred to W. Robinson, J. Jones," and presented to the banker on whom it is drawn by T. Brown. Is Robinson's endorsement necessary, and would he have a remedy against the paying banker if the cheque was not endorsed by him, and Brown had obtained the cheque fraudulently?

ANSWER: Robinson's endorsement would appear to be required, but he would have no remedy against the banker in the case mentioned.

QUESTION IV.—A. (drawer) gives B. (payee) a cheque to bearer on C. (as bankers), dated 10th July, but bearing in the body the words "on 15th August." B. passes cheque to D. (holders). Was C. justified in paying the cheque before that date, and what stamp is requisite?

ANSWER: C. would not be justified in so paying the cheque. The document is a Bill of Exchange, and must be stamped accordingly.

QUESTION V.—A bank advances £75 per cent. upon foreign bills, and retains the balance as a margin. In the event of the bank's failure, has the merchant any claim to rank for the amount of the unpaid margins as a preference creditor, or must he take his place among the ordinary creditors? Interest is allowed by the bank upon the margins, till advice of payment of the bills, at the same rates at which the bills are discounted.

ANSWER: We are of opinion that the merchant has no claim to rank as a preference creditor in the case quoted.

QUESTION VI.—A banker advances his customer £750 against a £1,000 debenture stock, the certificate of which is lodged with the bank, together with a transfer executed in blank, and a written authority, giving the banker power to sell the stock at any time, and apply the proceeds in payment of his customer's indebtedness. Two years after the advance was made, and during its continuance, the bank receives notice that the stock is trust money, and that his customer has no right to pledge it. Assuming the customer to fail, on whom would the loss fall, the banker who made the advance in the usual course of business, without knowledge of a trust, and with no trust disclosed on the face of the stock certificate, or the parties for whom the customer was trustee?

ANSWER: The loss would fall upon the banker, who should not advance money upon any blank transfer.

QUESTION VII.—A. paid to B. an open cheque for £20, drawn by A. on the S. bank, which B. losing, he at once telegraphed particulars to the S. bank, requesting that they would stop payment of the cheque. The bank in reply telegraphed to B., "Impossible to stop cheque without direct orders from drawer of cheque, which please forward." What liability, if any, would have been incurred by the bank, had they in spite of the notice paid the cheque to an unlawful owner over the counter?

ANSWER: None.

QUESTION VIII.—Should a cheque payable to "John Smith" still be considered as *specially* payable (in other words, *not transferable* by payee), or is it necessary to add some restrictive word, such as *only*, to prevent transfer, as in the case of Bills?

ANSWER: By the *Bills of Exchange Act*, 1882, *sec.* 8, *sub-sec.* 4, it is enacted that "A bill is payable to order which is expressed to be so payable, or which is expressed to be payable to a particular person, and does not contain words prohibiting transfer or indicating an intention that it should not be transferable." And by *sec.* 73 it is enacted that "A cheque is a bill of exchange drawn on a banker payable on demand. Except as otherwise provided in this Part, the provisions of this Act applicable to a bill of exchange payable on demand apply to a cheque."

QUESTION IX.—It is the custom of London bankers to keep bills left for acceptance until twelve o'clock on the following day. Do they do this simply as a matter of convenience, or would they be liable to the adviser if they returned a bill accepted on the same day it was left for acceptance, and the advice to accept was cancelled before twelve o'clock the following day?

ANSWER: There may be a practice with some London banks, as a matter of convenience, not to give up bills accepted until twelve o'clock on the following day, but there is no custom in the matter, and the banker being at liberty to accept at once, if he pleases, can incur no liability by not holding over till twelve o'clock the next day.

QUESTION X.—A. has £500 on deposit receipt with his banker, B. After some time, he requiring £100, and not wishing to disturb his deposit receipt, passes a promissory note to B. for £100, but neither gives the receipt itself, nor any lien against it to B., as security for the temporary advance. Before the bill matures, A. cashes the deposit receipt at the office of another banker, who, in due course, presents it to B. Can B. stop the amount of A.'s promissory note out of it, the receipt being worded "to be accounted for at our office here"?

ANSWER: A deposit receipt is not a negotiable instrument, and in the event of the bankruptcy of A., we think B. could set off the amount at deposit against the note of A.

QUESTION XI.—Would the case be altered if the receipt was not presented until the bill was overdue?

ANSWER: No.

QUESTION XII.—A. and B. pass a joint pro note to C., a banker. It is signed on the back by D., whose name is, however, not mentioned in any way on the front of the bill. A. and B. fail to pay it at maturity. Can C. sue D. for the amount as the security for the advance?

ANSWER: Yes; any subsequent holder of a note can sue a prior endorsee.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. May 30.	1883. June 6.	1883. June 13.	1883. June 20.	1883. June 27.	1882. June 28.
	1	2	3	4	5	6
BANK OF ENGLAND.						
ISSUE DEPARTMENT.	£	£	£	£	£	£
Notes issued	35,264	35,563	36,108	36,853	37,208	39,160
Government debt	11,015	11,015	11,015	11,015	11,015	11,015
Other securities	4,735	4,735	4,735	4,735	4,735	4,735
Gold coin and bullion	19,514	19,813	20,358	21,103	21,458	23,410
	35,264	35,563	36,108	36,853	37,208	39,160
BANKING DEPARTMENT.						
LIABILITIES.						
Proprietors' capital	14,553	14,553	14,553	14,553	14,553	14,553
Rest	3,089	3,081	3,091	3,096	3,099	3,095
Public deposits	7,356	7,725	7,494	8,642	8,589	7,678
Other deposits	22,918	22,709	22,391	22,276	22,015	24,802
Seven day and other bills	161	178	181	184	176	221
Total	48,077	48,246	47,710	48,751	48,432	50,349
ASSETS.						
Government securities	13,835	13,835	13,315	13,315	13,315	13,780
Other securities	23,510	23,468	22,452	22,689	22,402	22,510
Notes	9,749	9,930	10,906	11,758	11,735	13,089
Gold and Silver coin	983	1,013	1,037	989	980	970
Total	48,077	48,246	47,710	48,751	48,432	50,349
Notes in the hands of the Public	25,515	25,633	25,202	25,095	25,473	26,071
Reserve	10,732	10,943	11,943	12,747	12,715	14,059
Proportion of reserve to liabilities (per cent.)	35·26	35·74	39·72	40·98	41·30	43
Rate of discount	4 %	4 %	4 %	4 %	4 %	3 %
	May 31.	June 7.	June 14.	June 21.	June 28.	June 29.
RATES OF EXCHANGE ON LONDON.						
Paris, cheque— (par £1=25f. 22½ c.)	25·28½	25·29¾	25·30	25·30	25·28½	25·14½
Berlin, 8 days— (par £1=20m. 43 pf.)	20·49½	20·51	20·52	20·50	20·48	20·44
New York, 60 days— (par £1=$4·867)	4·84¾	4·85½	4·85½	4·84¾	4·84½	4·85
Calcutta, 4 m/d— (per rupee)	1s. 7$\frac{5}{16}$d.	1s. 7¼d.	1s. 7$\frac{5}{16}$d.	1s. 7½d.	1s. 7$\frac{11}{32}$d.	1s. 8½d.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000=£1,000,000.

For the weeks ending	1883. May 31. 1	1883. June 7. 2	1883. June 14. 3	1883. June 21. 4	1883. June 28. 5	*1882. June 29. 6*
BANK OF FRANCE. (Converting the franc at 25 to the £)						
LIABILITIES.	£	£	£	£	£	*£*
Public deposits	4,460	4,543	5,649	6,054	7,205	*19,313*
Private deposits	17,301	16,759	15,764	16,414	17,641	*19,203*
Notes in circulation	119,556	116,356	116,228	115,722	116,030	*106,908*
Other items	13,028	12,736	12,807	12,846	12,725	*12,976*
Total	154,345	150,394	150,448	151,036	153,601	*158,400*
ASSETS.						
Gold	40,354	40,402	40,266	40,265	40,207	*38,897*
Silver	42,012	41,978	41,951	42,042	41,996	*46,441*
Bills	41,997	38,065	38,028	38,283	41,121	*43,926*
Advances	18,153	18,054	17,891	18,040	17,989	*16,966*
Other items	11,829	11,895	12,312	12,406	12,288	*12,170*
Total	154,345	150,394	150,448	151,036	153,601	*158,400*
Rate of discount	3 %	3 %	3 %	3 %	3 %	*3½ %*
	May 31.	June 7.	June 15.	June 23.	June 30.	*June 30.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)						
LIABILITIES.	£	£	£	£	£	*£*
Notes in circulation	35,157	34,594	34,710	36,725	41,021	*41,400*
Current accounts	11,734	11,956	11,893	11,653	10,421	*9,091*
Other items	6,980	6,979	7,082	7,058	7,029	*6,973*
ASSETS.						
Coin and bullion	31,116	32,164	32,209	31,934	30,775	*28,496*
Bills and Loans	18,540	18,136	17,969	20,228	24,536	*24,541*
Other items	3,592	3,674	3,819	3,545	3,391	*4,755*
Rate of discount	4 %	4 %	4 %	4 %	4 %	*4 %*

WEEKLY RETURNS.

In £'s sterling, 000 omitted thus—£1,000=£1,000,000.

For the weeks ending	1883. July 4. 1	1883. July 11. 2	1883. July 18. 3	1883. July 25. 4	*1882. July 26.* 5
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	£
Notes issued	37,045	37,007	37,012	37,419	*38,151*
Government debt	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,785	4,735	4,735	4,735	*4,735*
Gold coin and bullion	21,297	21,257	21,262	21,669	*22,401*
	37,045	37,007	37,012	37,419	*38,151*
BANKING DEPARTMENT.					
LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	*14,553*
Rest	3,154	3,312	3,337	3,343	*3,375*
Public deposits	8,861	4,556	4,473	4,660	*3,859*
Other deposits	23,209	22,758	23,830	23,247	*27,462*
Seven day and other bills	202	216	218	174	*217*
Total	49,979	45,395	46,411	45,977	*49,466*
ASSETS.					
Government securities	12,974	11,966	11,966	11,966	*14,349*
Other securities	25,656	21,783	22,633	21,593	*22,714*
Notes	10,378	10,657	10,915	11,511	*11,460*
Gold and Silver coin	971	989	897	907	*943*
Total	49,979	45,395	46,411	45,977	*49,466*
Notes in the hands of the Public	26,667	26,350	26,097	25,908	*26,691*
Reserve	11,349	11,646	11,812	12,418	*12,403*
Proportion of reserve to liabilities (per cent.)	35·16	42·30	41·41	44·22	*39·32*
Rate of discount	4%	4%	4%	4%	*3%*
	July 5.	July 12.	July 19.	July 26.	*July 27.*
RATES OF EXCHANGE ON LONDON.					
Paris, cheque—(par 25f. 22½c.)	25·27½	25·28⅛	25·29½	25·30½	*25·14¼*
Berlin, 8 days—(par 20m. 43pf.)	20·48½	20·47⅛	20·49½	20·49½	*20·42*
New York, 60 days—(par $4·867)	4·84¾	4·84¼	4·83¼	4·82¾	*4·85¼*
Calcutta, 4 m/d—(per rupee)	1s. 7 7/16d.	1s. 7 15/32d.	1s. 7⅜d.	1s. 7 7/16d.	*1s. 8⅛d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. July 5. 1	1883. July 12. 2	1883. July 19. 3	1883. July 26. 4	*1883. July 27. 5*
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	*£*
Public deposits	6,574	6,564	6,422	8,237	*19,528*
Private deposits	16,241	16,005	15,975	14,608	*19,011*
Notes in circulation	119.393	120,248	120,372	119,207	*107,451*
Other items	12,842	12,750	12,130	12,339	*12,481*
Total	155,050	155,567	154,899	154,391	*158,471*
ASSETS.					
Gold	40,078	39,765	39,707	39,696	*39,188*
Silver	41,796	41,528	41,438	41,482	*46,299*
Bills	42,251	44,177	43,460	43,320	*44,160*
Advances	18,313	18,261	17,979	17,741	*17,253*
Other items	12,612	11,836	12,315	12,152	*11,571*
Total	155,050	155,567	154,899	154,391	*158,471*
Rate of discount	3 %	3 %	3 %	3 %	*3½ %*
	July 7.	July 14.	July 23.	July 31.	*July 31.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£	£	*£*
Notes in circulation	39,537	38,169	36,724	37,041	*37,921*
Current accounts	9,299	9,024	9,827	10,181	*8,590*
Other items	7,015	7,000	6,996	6,992	*6,914*
ASSETS.					
Coin and bullion	30,457	30,433	30,769	30,672	*28,062*
Bills and Loans	22,304	20,551	19,479	20,155	*21,094*
Other items	3,347	3,459	3,606	3,729	*4,665*
Rate of discount	4 o/o	4 o/o	4 %	4 %	*4 o/o*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000=£1,000,000.

For the weeks ending	1883. Aug. 1. 1	1883. Aug. 8. 2	1883. Aug. 15. 3	1883. Aug. 22. 4	1883. Aug. 29. 5	1883. Aug. 30. 6
BANK OF ENGLAND.						
ISSUE DEPARTMENT.	£	£	£	£	£	£
Notes issued	37,840	37,716	38,138	38,366	38,840	*36,712*
Government debt	11,015	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,735	4,735	4,735	4,735	4,735	*4,735*
Gold coin and bullion	22,090	21,966	22,388	22,616	23,090	*20,962*
	37,840	37,716	38,138	38,366	38,840	*36,712*
BANKING DEPARTMENT.						
LIABILITIES.						
Proprietors' capital	14,553	14,553	14,553	14,553	14,553	*14,553*
Rest	3,387	3,398	3,405	3,431	3,372	*3,420*
Public deposits	4,418	4,410	4,999	5,751	5,928	*4,217*
Other deposits	22,986	22,391	22,360	22,781	23,164	*23,991*
Seven day and other bills	198	202	189	189	177	*202*
Total	45,542	44,954	45,506	46,705	47,194	*46,383*
ASSETS.						
Government securities	11,964	11,962	11,962	11,962	11,962	*12,455*
Other securities	21,328	20,742	20,722	21,329	21,316	*22,790*
Notes	11,411	11,375	11,973	12,550	13,131	*10,319*
Gold and Silver coin	839	875	849	864	785	*819*
Total	45,542	44,954	45,506	46,705	47,194	*46,383*
Notes in the hands of the Public	26,429	26,341	26,165	25,817	25,709	*36,393*
Reserve	12,250	12,250	12,822	13,413	13,915	*11,138*
Proportion of reserve to liabilities (per cent.)	44·38	45·36	46·54	46·70	47·40	*39·20*
Rate of discount	4%	4%	4%	4%	4%	*4%*
	Aug. 2.	Aug. 9.	Aug. 16.	Aug. 23.	Aug. 30.	*Aug. 31.*
RATES OF EXCHANGE ON LONDON.						
Paris, cheque— (par £1=25f. 22½ c.)	25·29½	25·31½	25·33	25·33½	25·33	*25·21*
Berlin, 8 days— (par £1=20m. 43 pf.)	20·49½	20·50½	20·49½	20·49½	20·49	*20·45½*
New York, 60 days— (par £1=$4·867)	4·83	4·83½	4·82¼	4·82	4·81⅞	*4·85*
Calcutta, 4 m/d— (per rupee)	1s. 7$\frac{7}{16}$d.	1s. 7⅜d.	1s. 7$\frac{7}{16}$d.	1s. 7½d.	1s. 7$\frac{5}{16}$d.	*1s. 8½d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Aug. 2. 1	1883. Aug. 9. 2	1883. Aug. 16. 3	1883. Aug. 23. 4	1883. Aug. 30. 5	*1882. Aug. 31. 6*
BANK OF FRANCE. (Converting the franc at 25 to the £)						
LIABILITIES.	£	£	£	£	£	*£*
Public deposits	8,704	9,226	9,220	8,279	8,755	*18,438*
Private deposits	14,265	13,852	12,821	13,782	14,205	*16,207*
Notes in circulation	120,124	118,062	118,069	117,185	118,210	*109,631*
Other items	12,757	12,300	12,269	12,418	12,352	*12,821*
Total	155,850	153,440	152,379	151,664	153,522	*157,097*
ASSETS.						
Gold	39,535	39,534	39,465	39,414	39,203	*40,054*
Silver	41,430	41,420	41,367	41,444	41,361	*45,934*
Bills	45,164	42,451	41,500	41,197	43,304	*42,580*
Advances	17,782	17,693	17,667	17,631	17,573	*17,157*
Other items	11,939	12,342	12,380	11,978	12,081	*11,372*
Total	155,850	153,440	152,379	151,664	153,522	*157,097*
Rate of discount	3 %	3 %	3 %	3 %	3 %	*3½ o/o*
	Aug. 7.	Aug. 15.	Aug. 23.	Aug. 31.		*Aug. 31.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)						
LIABILITIES.	£	£	£	£		*£*
Notes in circulation	36,310	35,820	35,591	36,238		*36,878*
Current accounts	9,932	9,681	10,128	9,707		*8,676*
Other items	6,990	6,988	6,990	6,987		*6,906*
ASSETS.						
Coin and bullion	30,448	30,403	30,446	30,034		*27,285*
Bills and Loans	19,434	18,654	18,842	19,487		*21,331*
Other items	3.703	3,790	3,804	3,817		*4,433*
Rate of discount	4 %	4 %	4 %	4 %		*4 %*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Sept. 5. 1	1883. Sept. 12. 2	1883. Sept. 19. 3	1883. Sept. 26. 4	1882. Sept. 27. 5
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	£
Notes issued	38,902	39,098	39,163	39,352	36,956
Government debt	11,015	11,015	11,015	11,015	11,015
Other securities	4,735	4,735	4,735	4,735	4,735
Gold coin and bullion	23,152	23,348	23,413	23,602	21,206
	38,902	39,098	39,163	39,352	36,956
BANKING DEPARTMENT.					
LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	14,553
Rest	3,741	3,756	3,775	3,776	3,813
Public deposits	5,454	5,870	6,028	6,103	5,101
Other deposits	23,559	25,269	25,086	25,053	23,896
Seven day and other bills	208	184	209	182	204
Total	47,515	49,632	49,651	49,667	47,567
ASSETS.					
Government securities	11,962	13,693	13,693	13,693	11,682
Other securities	21,610	21,458	21,355	21,138	24,341
Notes	13,113	13,707	13,798	14,083	10,768
Gold and Silver coin	830	774	805	753	776
Total	47,515	49,632	49,651	49,667	47,567
Notes in the hands of the Public	25,789	25,391	25,365	25,269	26,189
Reserve	13,943	14,481	14,603	14,836	11,543
Proportion of reserve to liabilities (per cent.)	47·71	46·21	46·62	47·34	39·53
Rate of discount	4 %	3½ %	3½ %	3½ %	5 %
	Sept. 6.	Sept. 13.	Sept. 20.	Sept. 27.	Sept. 28.
RATES OF EXCHANGE ON LONDON.					
Paris, cheque— (par £1 = 25f. 22½ c.)	25·33	25·31½	25·27½	25·25½	25·20
Berlin, 8 days— (par £1 = 20m. 43 pf.)	20·49	20·47½	20·44	20·41	20·44
New York, 60 days— (par £1 = \$4·867)	4·81½	4·81½	4·82	4·82½	4·81½
Calcutta, 4 m/d— (per rupee)	1s. $7\frac{17}{32}$d.	1s. $7\frac{17}{32}$d.	1s. $7\frac{9}{16}$d.	1s. $7\frac{5}{8}$d.	1s. $7\frac{11}{32}$d.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000=£1,000,000.

For the weeks ending	1883. Sept. 6. 1	1883. Sept. 13. 2	1883. Sept. 20. 3	1883. Sept. 27. 4	1882. Sept. 28. 5
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	£
Public deposits	4,440	5,200	5,230	5,446	16,885
Private deposits	13,946	12,751	13,217	14,807	15,894
Notes in circulation	117,575	117,555	117,430	117,148	106,643
Other items	12,412	12,368	12,372	12,381	12,544
Total	148,373	147,874	148,249	149,777	151,966
ASSETS.					
Gold	39,188	39,084	38,988	39,036	39,737
Silver	41,318	41,139	41,176	41,112	45,620
Bills	37,922	38,342	37,998	40,151	38,462
Advances	17,757	17,651	17,705	17,629	16,701
Other items	12,188	11,658	12,382	11,849	11,446
Total	148,373	147,874	148,249	149,777	151,966
Rate of Discount	3 %	3 %	3 %	3 %	3½ %
	Sept. 7.	Sept. 15.	Sept. 22.	Sept. 29.	Sept. 30.
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£	£	£
Notes in circulation	35,625	35,388	35,574	40,318	42,077
Current accounts	9,481	9,208	9,270	8,985	7,273
Other items	6,983	6,986	6,987	6,987	6,918
ASSETS.					
Coin and bullion	29,644	29,335	28,856	27,404	25,660
Bills and Loans	19,103	18,946	19,881	25,640	26,933
Other items	3,755	3,725	3,539	3,668	4,223
Rate of discount	4 %	4 %	4 %	4 %	5 %

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Oct. 3. 1	1883. Oct. 10. 2	1883. Oct. 17. 3	1883. Oct. 24. 4	1882. Oct. 25. 5
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	£
Notes issued	38,777	38,173	38,016	37,489	*35,995*
Government debt	11,015	11,015	11,015	11,015	*11,015*
Other securities	4,735	4,735	4,735	4,735	*4,735*
Gold coin and bullion	23,027	22,423	22,266	21,739	*20,245*
	38,777	38,173	38,016	37,489	*35,995*
BANKING DEPARTMENT.					
LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	*14,553*
Rest	3,770	3,086	3,092	3,095	*3,092*
Public deposits	5,900	4,135	3,510	3,918	*3,929*
Other deposits	23,250	25,617	25,024	24,814	*24,425*
Seven day and other bills	216	234	225	197	*252*
Total	47,689	47,625	46,404	46,577	*46,251*
ASSETS.					
Government securities	13,693	14,179	13,679	13,679	*12,731*
Other securities	21,102	20,769	20,137	20,187	*23,100*
Notes	12,166	11,836	11,902	11,905	*9,673*
Gold and Silver coin	728	841	686	806	*747*
Total	47,689	47,625	46,404	46,577	*46,251*
Notes in the hands of the Public	26,611	26,336	26,114	25,584	*26,322*
Reserve	12,894	12,677	12,588	12,711	*10,420*
Proportion of reserve to liabilities (per cent.)	43·91	42·27	43·77	43·93	*36·42*
Rate of discount	3 %	3 %	3 %	3 %	*5 %*
	Oct. 4.	Oct. 11.	Oct. 18.	Oct. 25.	*Oct. 26.*
RATES OF EXCHANGE ON LONDON.					
Paris, cheque— (par £1=25f. 22½ c.)	25·26½	25·26	25·25	25·23½	*25·25*
Berlin, 8 days— (par £1=20m. 43 pf.)	20·43	20·40	20·37½	20·36	*20·37*
New York, 60 days— (par £1=$4·867)	4·81½	4·81¾	4·81	4·81	*4·81½*
Calcutta, 4 m/d— (per rupee)	1s. 7$\frac{13}{32}$d.	1s. 7$\frac{13}{32}$d.	1s. 7$\frac{13}{32}$d.	1s. 7$\frac{3}{16}$d.	*1s. 7$\frac{13}{16}$d.*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Oct. 4. 1	1883. Oct. 11. 2	1883. Oct. 18. 3	1883. Oct. 25. 4	1882. Oct. 26. 5
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	£
Public deposits	3,922	3,152	3,515	4,296	15,934
Private deposits	13,657	13,508	14,158	13,365	14,859
Notes in circulation	119,334	119,740	120,643	119,828	109,055
Other items	12,615	12,591	12,898	12,576	12,666
Total	149,528	148,991	151,214	150,065	152,514
ASSETS.					
Gold	38,962	38,828	38,814	38,652	38,808
Silver	41,010	40,808	40,794	40,703	44,772
Bills	39,142	40,135	42,284	40,886	40,442
Advances	17,874	17,767	17,933	18,008	16,749
Other items	12,540	11,453	11,389	11,816	11,743
Total	149,528	148,991	151,214	150,065	152,514
Rate of discount	3 %	3 %	3 %	3 %	3½ %

	Oct. 6.	Oct. 15.	Oct. 23.		Oct. 23.
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£		£
Notes in circulation	39,845	38,716	38,057		39,157
Current accounts	8,254	8,337	8,870		7,108
Other items	6,991	6,984	6,984		6,910
ASSETS.					
Coin and bullion	26,827	26,940	27,366		25,655
Bills and Loans	24,789	23,105	22,818		23,950
Other items	3,899	4,447	4,202		4,139
Rate of discount	4 %	4 %	4 %		5 %

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. May 12. 1	1883. May 19. 2	1883. May 26. 3	1883. June 2. 4	1883. June 9. 5	1882. June 10. 6
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).						
LIABILITIES.	£	£	£	£	£	£
Notes in Circulation	3,248	3,230	3,199	3,405	3,188	3,718
Net Deposits	60,719	61,419	61,926	62,186	63,058	60,127
ASSETS.						
Loans and Discounts	63,090	63,566	63,256	63,515	64,227	63,685
Specie	12,004	12,112	14,565	12,450	12,310	10,875
Legal Tenders	4,177	4,395	4,751	4,910	5,268	5,184
Legal Reserve (being one-fourth of net Deposits)	15,180	15,355	15,481	15,546	15,764	15,032
Reserve held (consisting of Specie and Legal Tenders)	16,181	16,507	17,316	17,360	17,578	16,059
Surplus............	1,001	1,152	1,835	1,814	1,814	1,027
	May 30.	June 6.	June 13.	June 20.	June 27.	June 28.
MISCELLANEOUS.	£	£	£	£	£	£
Clearing-house returns............	128,039	107,085	90,052	133,202	85,153	104,948
Average price of wheat	43s. 7d.	43s. 5d.	43s. 4d.	42s. 9d.	42s. 5d.	46s. 11d.
Price of consols	102	100⅝	100⅛	100⅝	100⅜	99⅝
Bar silver, fine, per oz. standard	50⅝d.	50⅝d.	50⅛d.	50⅝d.	50 $\frac{1}{16}$d.	51 $\frac{11}{16}$d.
3% French Rentes	80·15	79·55	79·47½	78·95	78·85	80·70

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000=£1,000,000.

For the weeks ending	1883. June 16. 1	1883. June 23. 2	1883. June 30. 3	1883. July 7. 4	*1882. July 8.* 5
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).					
LIABILITIES.	£	£	£	£	£
Notes in Circulation	3,160	3,160	3,128	3,122	*3,682*
Net Deposits	63,538	64,621	64,858	64,470	*63,666*
ASSETS.					
Loans and Discounts	64,350	65,209	65,613	65,731	*65,336*
Specie	12,453	12,647	12,838	12,560	*12,857*
Legal Tenders	5,189	5,305	5,224	4,886	*4,720*
Legal Reserve (being one-fourth of net Deposits)	15,884	16,155	16,214	16,117	*15,916*
Reserve held (consisting of Specie and Legal Tenders)	17,642	17,952	18,062	17,446	*17,577*
Surplus	1,758	1,797	1,848	1,329	*1,661*
	July 4.	July 11.	July 18.	July 25.	July 26.
MISCELLANEOUS.	£	£	£	£	£
Clearing-house returns	153,399	104,223	132,735	94,787	*92,420*
Average price of wheat	42s. 2d.	42s. 4d.	42s. 2d.	42s. 2d.	*49s. 2d.*
Price of consols	100⅛	99⅞	99⅞	99$\frac{13}{16}$	*100*
Bar Silver, fine, per oz. standard.	50½d.	50$\frac{7}{16}$d.	50$\frac{5}{16}$d.	50$\frac{7}{16}$d.	*52d.*
3% French Rentes	78·65	78·85	78·77½	79·2½	*81·25*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. July 14. 1	1883. July 21. 2	1883. July 28. 3	1883. Aug. 4. 4	1883. Aug. 11. 5	1882. Aug. 12. 6
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).						
LIABILITIES.	£	£	£	£	£	£
Notes in Circulation	3,105	3,117	3,076	3,128	3,090	3,641
Net Deposits	65,465	65,241	64,715	64,738	65,046	64,428
ASSETS.						
Loans and Discounts	65,968	65,671	65,450	65,364	65,320	67,383
Specie	12,963	12,929	12,626	12,637	12,730	12,081
Legal Tenders	5,106	5,299	5,421	5,396	5,398	4,792
Legal Reserve (being one-fourth of net Deposits)	16,366	16,310	16,179	16,184	16,262	16,107
Reserve held (consisting of Specie and Legal Tenders)	18,069	18,228	18,047	18,033	18,128	16,873
Surplus	1,703	1,918	1,868	1,849	1,866	766
	Aug. 1.	Aug. 8.	Aug. 15.	Aug. 22.	Aug. 29.	Aug. 30.
MISCELLANEOUS.	£	£	£	£	£	£
Clearing-house returns	118,730	91,949	119,534	103,152	84,931	110,873
Average price of wheat	42s. 1d.	43s. 3d.	43s. 6d.	43s. 10d.	43s. 8d.	47s. 10d.
Price of consols	99⅞	100	100⅛	100	100¼	99¾
Bar silver, fine, per oz. standard	50 7/16 d.	50 7/16 d.	50½d.	50⅝d.	50⅝d.	52 1/16 d.
3% French Rentes	80·40	80·50	80·7½	79·60	79·92½	82·57½

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Aug. 18. 1	1883. Aug. 25. 2	1883. Sept. 1. 3	1883. Sept. 8. 4	*1882. Sept. 9.* 5
NEW YORK ASSOCIATED BANKS.					
(Converting the dollar at 5 to the £).					
LIABILITIES.	£	£	£	£	£
Notes in Circulation	3,109	3,124	3,127	3,108	*3,664*
Net Deposits	64,725	63,455	63,148	62,978	*60,637*
ASSETS.					
Loans and Discounts	65,890	65,519	65,176	65,518	*65,981*
Specie	12,247	11,966	11,990	11,706	*10,311*
Legal Tenders	5,310	5,062	5,042	4,936	*4,472*
Legal Reserve (being one-fourth of net Deposits)	16,181	15,864	15,787	15,745	*15,159*
Reserve held (consisting of Specie and Legal Tenders)	17,557	17,028	17,032	16,642	*14,783*
Surplus...........	1,376	1,164	1,245	897	**376*
	Sept. 5.	Sept. 12.	Sept. 19.	Sept. 26.	*Sept. 27.*
MISCELLANEOUS.	£	£	£	£	£
Clearing-house returns............	117,925	82,020	114,062	85,433	*129,401*
Average price of wheat	43s. 2d.	41s. 8d.	41s. 8d.	41s. 9d.	*42s. 1d.*
Price of consols	100⅜	100⅝	100⅞	101¼	*100¼*
Bar Silver, fine, per oz. standard	50⅝d.	50⅝d.	50¾d.	50$\frac{11}{16}$d.	*51$\frac{1}{16}$d.*
3% French Rentes	79·75	79·75	79·27½	78·82½	*81·92½*

* Deficit.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Sept. 15. 1	1883. Sept. 22. 2	1883. Sept. 29. 3	1883. Oct. 6. 4	*1882. Oct. 7. 5*
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).					
LIABILITIES.	£	£	£	£	*£*
Notes in Circulation	3,107	3,082	3,039	3,016	*3,783*
Net Deposits	63,582	63,603	62,821	62,418	*57,236*
ASSETS.					
Loans and Discounts	65,758	66,340	65,953	65,212	*62,899*
Specie	11,776	11,072	11,065	11,320	*10,081*
Legal Tenders	4,867	5,210	4,815	4,702	*4,322*
Legal Reserve (being one-fourth of net Deposits)	15,895	15,901	15,705	15,604	*14,309*
Reserve held (consisting of Specie and Legal Tenders)	16,643	16,282	15,880	16,022	*14,403*
Surplus...........	748	381	175	418	*94*
	Oct. 3.	Oct. 10.	Oct. 17.	Oct. 24.	*Oct. 25.*
MISCELLANEOUS.					
Clearing-house returns	£ 144,735	£ 102,741	£ 127,518	£ 86,282	*£ 91,588*
Average price of wheat	41s.	40s. 2d.	40s. 8d.	40s. 5d.	*39s. 7d.*
Price of consols	100⅞	101¼	101⅜	101⅜	*102¼*
Bar silver, fine, per oz. standard	50 15/16d.	50 15/16d.	51d.	50⅞d.	*51⅜d.*
3% French Rentes	77·62½	77·77½	78·30	78·10	*80·55*

The Institute of Bankers.

DECEMBER, 1883.

J. HERBERT TRITTON, Esq., in the Chair.

THE BANKRUPTCY ACT, 1883.

By M. D. CHALMERS, Esq., M.A., Barrister-at-Law.

[Read before the Bankers' Institute, Wednesday, Nov. 21st, 1883.]

ERRATA.

On page 510, Vol. IV. (November, 1883), for "Australia" read "South Australia."

On page 517, Vol. IV. (November, 1883), paragraph 4, for "£500,000" read "£1,000,000."

19th of March, and was the first measure referred to the new Standing Committee on Trade. The Grand Committee held nineteen sittings to consider the Bill, and reported it to the House with numerous amendments. The House accepted the measure as it came from the hands of the Committee, and it passed through the stages of report and third reading without a single division. It was introduced in the Lords on the 17th August, and various amendments of detail were then inserted. The Bill received the Royal Assent on the 25th August, and the bulk of its provisions come into operation on the 1st of January next.

For obvious reasons I do not propose to criticise from a lawyer's point of view the provisions of the Act, though I shall listen with interest and profit to the criticisms which will be made by members of the Institute to-night.* I propose only to call your attention to

* The original draft of the Bill was prepared by Mr. C. P. Ilbert, but when he went to India in 1882, the further drafting of the measure was entrusted to me.

the main outlines of the new law, and the points in which it departs from the existing law, and then briefly to compare some of the more salient features of the new Act with the systems which are in force in other countries.

Before I enter on the subject of this evening's paper, there are two remarks I wish to make by the way. It would be impertinent in me to comment on the conspicuous tact and ability shown by Mr. Chamberlain in his conduct of the Bankruptcy Bill through Parliament. But I may perhaps be allowed to bear witness to the anxious and absolutely candid consideration which he gave to all practical suggestions for the improvement of the measure, from whatever source they came; and also to the minute and careful supervision which he exercised over every detail of the Bill. This Institute, at any rate, cannot complain that its recommendations have been neglected. It will be in your recollection that your Council drew up last year a list of eighteen recommendations for the amendment of the law relating to bankruptcy. Out of this number eleven have been adopted in their entirety, while of the remainder, Mr. Chamberlain has introduced three in a modified form. On another point I must also congratulate the Institute, and that is, on the appointment of one of your Fellows, Mr. John Smith, to the office of Inspector-General in Bankruptcy under the Board of Trade. In his appointment you have a guarantee that the Act will be administered with ability and energy by one who has a thorough and practical knowledge of business and its requirements, and who is especially well acquainted with banking business.

Before we pass to the consideration of the new Act, let us glance back for a moment on the legislation of the past sixty years. During that time no less than forty-one Acts relating to bankruptcy have been passed. I will not weary you with any attempt to analyse their provisions, but I will cite you a short passage from Mr. Chamberlain's second reading speech, which briefly sums up the conflicting policies which from time to time have gained the ascendency:—

"Before 1831," he said, "creditors might be said to have had full control of the administration of bankrupt estates. On all hands the most general dissatisfaction was expressed with that state of things, which was no other than a chaos. In 1831 an Act was passed, which was known as Lord Brougham's Act, and which, for the first time, introduced a system of official administration. In the first instance, it introduced it in a very limited form, and to a very limited extent. It introduced a class of officials who were known as Official Assignees attached to the London Bankruptcy Court, and not to the Courts in country districts; and to those officials was given, practically, the control of the administration of bankrupt estates. In 1840, after this official system, which, as he had already pointed out, went very much further than this Bill, and was in fact, different in its object, had been in existence for nine years, a Royal Commission was

appointed to consider the subject of bankruptcy; and this commission recommended the extension of official assigneeism to the country generally. In 1842 the system was accordingly extended with general approval; indeed, there was a chorus of congratulations on the extension of the system, which was now said to be universally condemned. In 1847, sixteen years after the first introduction of the system, there was a Select Committee, which reported unanimously in its favour; and they stated that all the opinions and all the evidence were in favour of the new system as a great improvement, and it was universally approved of by the mercantile world. In 1849 there was another Select Committee of both Houses, which dealt with other branches of the subject, but which, in reference to this matter of official administration, made no complaints whatever, and the Act which followed on their report confirmed those officers in their functions. It was not until 1861, thirty years after the first institution of those assignees, that the system was generally condemned, and an Act was passed which very much limited their duties, and practically reduced them to nonentities. In 1864 there was a celebrated committee which reported entirely against the system, and advised that official assignees should be totally abolished; and in 1869, to complete the history, they were accordingly totally abolished, and the public entered once more on a system of voluntaryism, which again led to absolute chaos and gave general dissatisfaction. What he pointed out to the House as significant, and as worthy of observation, was this—that the only system which gave any satisfaction at all, and that only for a limited term of twenty years, was the official system. He had been led to make inquiry in order to ascertain how it was that this system, which was so popular at first, which was shortly afterwards extended, and which was confirmed and approved by repeated committees and commissions, should yet, in a period of twenty years, have fallen into disrepute, and, after a period of thirty years, should have been universally condemned. The reason, he thought, was this—the system was under the Courts, and not under a responsible department."

The present Act makes a fresh departure in bankruptcy legislation. A severance is made between judicial and administrative functions. Judicial functions, of course, are left to the courts, but administrative supervision and control are entrusted to an executive department of the State, namely, the Board of Trade. Creditors will still retain the general control over the estate of the bankrupt; but his conduct will be the subject of an independent investigation, with a view to his punishment if his insolvency has been the result of culpable recklessness or fraud. Trustees will be subject to the supervision of the Board of Trade, who will require them to give security, audit their accounts and exercise a general superintendence over their dealings. According to the theory of the Act of 1869, the debtor and his creditors were the only parties concerned in a bankruptcy. The present measure recognizes, and gives effect to the principle, that bankruptcy

is a matter which, indirectly, if not directly, affects the community at large. The Act accordingly provides that in all proceedings under it, whether they terminate in bankruptcy proper, or in a composition or scheme of arrangement, the debtor shall have his affairs investigated and reported upon by an officer of the Board of Trade (the official receiver), and shall undergo a public examination. That is a turnstile through which every insolvent debtor must pass. Whether he will be allowed to enter into a composition or to obtain a discharge, will depend on the result of those investigations into his previous conduct.

Passing from the main objects of the measure, let us now consider in more detail the provisions by which those objects are sought to be carried out.

The changes effected in law as it stood under the Act of 1869, are carefully summarized in a memorandum prepared by the Board of Trade to accompany the Bill in the House of Lords. In the remarks which follow I shall largely make use of that memorandum.

All proceedings under the bankruptcy law are to be commenced by a bankruptcy petition, leading up to an order of the court, to be called a receiving order, which is to have one of two results, either composition or arrangement on the one hand, or bankruptcy on the other. Liquidation, and composition otherwise than under a petition and with the approval of the court, are abolished.

A bankruptcy petition may be presented either by a creditor or by the debtor (s. 5). Under the Act of 1869 a debtor could not institute bankruptcy proceedings against himself; he could only file a petition for liquidation by arrangement.

The amount of debt sufficient to ground a creditor's petition remains as in the Act of 1869, at £50, but a debt payable at some certain future time gives a *locus standi* as petitioner (s. 6). For instance, where the acceptor of a bill has committed an act of bankruptcy, the holder will be able to petition against him before the maturity of the bill. This is an important matter for bankers.

Execution for any amount under process in an action, or other civil proceeding, failure after seven days' notice to pay a judgment debt, and notice of suspension of payment, are acts of bankruptcy (s. 4, 1 *d*, *f*, *g*). The distinction between traders and non-traders in relation to acts of bankruptcy, and generally throughout the Act, is abolished. The one exception is the case of a married woman. Only a married woman, who trades separately from her husband, can be proceeded against under the Act.

Bankruptcy proceedings by debtor's summons are abolished, and are superseded by the provision mentioned above for service of a bankruptcy notice on failure to pay a judgment debt (s. 4, 1 *f*). This ought to be a beneficial change. Proceedings by debtor's summons were frequently abused,* and used as a means of extortion.

* See, *e.g.*, *Ex p. Griffin*, 12 Ch., D. 480.

Their abolition, consequently, was unanimously recommended by the Committee of 1880.

The first result of a bankruptcy petition, properly substantiated, will be the making of a receiving order by the court. The effect of a receiving order will be to constitute the person appointed to act as official receiver, receiver, and manager of the debtor's property, and to stay proceedings by unsecured creditors. The order will not, as in the case of an adjudication order, make the debtor a bankrupt or divest him of his property, or subject him to the forfeitures and disabilities contingent on bankruptcy (ss. 5, 7, 8, and 9).

The official receiver, for whose appointment provision is made by section 66, may, on the application of creditors, appoint a special manager of the debtor's business, to act until a trustee is appointed (s. 12). If no such appointment is made, the official receiver acts as manager (s. 70). In that case I imagine that unless there be some good reason to the contrary, the debtor will ordinarily be allowed to continue the management of a going business, under the supervision of the official receiver.

The debtor is to give the official receiver full information as to his affairs and failure, and in particular is to make out at once a statement of his assets and liabilities (s. 16).

The first meeting of creditors, after the making of a receiving order, is to be held for the purpose of considering whether a composition or scheme of arrangement is to be entertained, or whether the debtor is to be adjudged bankrupt, and in the latter case the creditors may at once appoint a trustee (ss. 15, 21). The meeting is to be summoned by the official receiver, to be held within fourteen days of the receiving order, unless a later date is for any special reason allowed, and at least seven days' notice must be given by advertisement. The official receiver is also to send notice to each creditor together with a summary of the debtor's statement, and the receiver's observations thereon (Schedule I., Rules 1–3). Proofs are to be lodged before the time appointed for the meeting (Schedule I., Rule 8). Creditors who have proved may examine proofs of other creditors (Schedule II., Rule 7). A partially secured creditor may amend his proof for the unsecured portion of his debt (Schedule II., Rules 14, 15).

The voting rights of bill holders are limited (Schedule I., Rules 11, 12). The liability of any solvent party to a bill, antecedent to the debtor, must henceforth be valued for voting purposes, though it need not be valued for purposes of dividend.

Proxies are to be on an official form, and must be filled up in the handwriting of the person giving the proxy. A creditor may only give a general proxy to a person in his regular employment, or holding a general power of attorney from him, or to the official receiver. Under the Act of 1867, as you will remember, blank proxies could be given to anyone, and were usually given to the trustee—a system which, in many cases, led to gross abuses. All proxies must be

deposited with the official receiver or trustee before the meeting at which they are to be used (Schedule I., Rules 15–21).

Every debtor against whom a receiving order is made is to be publicly examined in Court as to his conduct, dealings, and property; the official receiver is to take part in the examination; the creditors, and the trustee, if appointed, may also put questions, and the debtor is to be bound to answer all questions which may be properly put to him (s. 17.) If this provision be properly worked it certainly will be one of the most important if not the most important in the whole Act.

At the first meeting the creditors may resolve by special resolution to entertain a proposal for a composition or scheme of arrangement.

For the acceptance of a composition or arrangement there must be a subsequent confirming resolution by a majority in numbers representing three-fourths in value of all the creditors, which must not be passed until the debtor's public examination is concluded, nor until there has been circulated among the creditors a notice stating the terms of the proposal and a report of the official receiver thereon (s. 18—1-3).

When a composition or scheme of arrangement has been accepted the Court may approve it after hearing a report of the official receiver, but it is to withhold its approval if the proposal does not appear to be reasonable or calculated to benefit the general body of creditors, or if the debtor has committed any misdemeanor under the Bankruptcy Law, or under Part II. of the Debtor's Act, 1869. It is also within the discretion of the Court to withhold its approval if the debtor has been guilty of any such misconduct as would justify the Court in withholding, suspending, or qualifying his discharge (s. 18—5, 6).

Any trustee appointed under a composition or scheme is to be subject to all the regulations applicable to a trustee in bankruptcy, and the provisions of Part III. of the Bill with reference to administration of property are to apply to a composition or scheme as far as possible (s. 18—12, 13). I take it that under these provisions compositions will become the exception instead of the rule.

If a composition or scheme is not accepted and approved, or if the creditors pass a resolution that the debtor be adjudged bankrupt, or pass no resolution, the Court will adjudge the debtor bankrupt, and the property of the bankrupt then becomes divisible amongst his creditors and vests in a trustee (s. 20). The rules as to distribution, that is, as to the principles on which the property is divided among the creditors, remain substantially unaltered. Taxes and wages accrued within certain limits of time have, as heretofore, to give a preference. The landlords right of distress for one year's rent is also retained. Otherwise all unsecured creditors rank *pari passu* for dividends. Provision is made, however, for the more speedy declaration of dividends (s. 5—8.)

We now come to the provisions which define the control which the creditors are to have over the administration of the estate with a view to its ultimate distribution. The creditors, as heretofore, will administer the estate through the machinery of a creditor's trustee. Where a debtor is adjudged bankrupt, or the creditors have resolved in favour of adjudication, they may appoint a trustee (s. 21—1). The trustee must give security to the satisfaction of the Board of Trade, and the Board may, subject to an appeal to the High Court, object to his appointment on the ground that it has not been made in good faith by a majority in value of the creditors, or that he is unfit to act, or that he is not likely to act in the interests of the creditors generally. The certificate of appointment is to be given by the Board of Trade (s. 21—2, 3).

The remuneration of the trustee (unless he be the official receiver) is to be fixed by the creditors or committee of inspection, and to be in the nature of a commission or percentage charged partly on the net amount realised and partly on the amount distributed in dividend. If one-fourth in number or value of the creditors object, the Board of Trade is to fix the amount of the remuneration. The resolution must express what expenses the vote is to cover, and where nothing is voted the taxing officer is to tax the trustee's bill (s. 72).

A trustee or manager is not to be allowed payment in respect of the performance of duties by other persons which ought to be performed by himself. All bills of solicitors, auctioneers, &c., are to be taxed (s. 73).

The trustee must, as a general rule, pay all money over £50 into the Bank of England to the credit of the Board of Trade, and all payments out will be made by order of the Board of Trade (s. 74—3, 5, 6). But under certain specified circumstances the committee of inspection may require the Board of Trade to authorise the trustee to make his payments into and out of a local bank (s. 74—4). When the general cash balance to the credit of bankrupts' estates is in excess of the requirements for bankruptcy purposes the surplus is to be invested and the income of the investments is to be paid to the Exchequer for the purpose of meeting the expenditure out of public money in respect of bankruptcy proceedings (s. 76).

Every trustee is to have his accounts audited not less than twice in each year by the Board of Trade. The accounts, when audited, are to be filed at the Board and at the Court, and are to be open to the inspection of the creditors (s. 78.)

Every trustee in a bankruptcy is not less than once a year during its continuance to transmit to the Board of Trade a statement of the proceedings in the bankruptcy. The Board of Trade is to examine the trustee's statement and his accounts, and to call the trustee to account for any misfeasance, &c. (s. 81).

The trustee is not to be released, except after consideration by the Board of Trade of a report as to his accounts and of any

objections urged by any creditor or other interested person against the proposed release (s. 82).

A trustee vacates his office if a receiving order is made against him (s. 85).

The creditors may remove their trustee by ordinary, and not, as at present, by special resolution (s. 86—1). The Board of Trade may remove a trustee for misconduct, subject to appeal to the High Court (s. 86—2).

If the creditors fail to fill a vacancy in the office of trustee within three weeks, the Board of Trade may appoint a trustee, subject to the right of the creditors to appoint a trustee of their own subsequently (s. 87).

Restrictions are placed on the voting powers of the trustee and his partners and agents in questions affecting his remuneration and conduct (s. 88).

If the creditors fail to appoint a trustee within four weeks from the date of the adjudication, or within a longer period if negotiations for composition or arrangement are pending, the Board of Trade may appoint some fit person to be the trustee, subject to the right of the creditors to appoint a trustee at any subsequent time (s. 21—6, 7). During any vacancy the official receiver acts as trustee (s. 70—1 *g*). On the appointment of a trustee the duties of the official receiver connected with the management of the property cease, or are suspended, but he continues to watch the case, and to act, if necessary, in the interests of justice (see s. 68–70, 82—4, &c.)

A committee of inspection may be nominated by the creditors qualified to vote at their first or any subsequent meeting, and must consist of creditors qualified to vote, or the holders of general proxies or general powers of attorney from such creditors. There are to be not more than five nor less than three members (clause 22—1). If a committee is not appointed, the Board of Trade will direct the trustee in the matters in which he is required to have the permission of the committee of inspection (s. 22—9). The creditors may at any time after adjudication resolve by special resolution to entertain a composition or scheme, whereupon the same proceedings ensue as in case of composition or scheme before adjudication. If default is made in carrying out the composition, the bankruptcy may be revived (s. 23).

Under the foregoing provisions the administration will still be substantially in the hands of the creditors, but there are certain safeguards inserted, if I may say so, to protect them against themselves. According to the theory of the Act of 1869, the creditors were supreme; the trustee was merely their servant. In practice the creditors were found to be an invertebrate mass, with no power of anything like corporate action. The trustee was their master. Sometimes, perhaps, he was a benevolent despot, but this was by no means always the case. The object of the

present Act is to protect the creditors against their too powerful minister. To effect that object the Board of Trade has been called in as a kind of *deus ex machinâ*. How that divinity will play its part when called on to the stage, experience alone can decide.

The Board of Trade are to appoint such persons as they think fit to be official receivers of debtors' estates. From the nature of their functions they will in most cases I believe be practising accountants, or persons accustomed to act as trustees. These receivers are to be attached to each Court of Bankruptcy, and will act under the general authority of the Board of Trade, but will also be officers of the Court (s. 66).

Their functions include some acts which are done by the registrars under the existing system. The principle of the proposed change is to separate judicial and administrative functions, and to commit the superintendence of the latter to the officers acting under a responsible department of State.

The duties of an official receiver, which are detailed in sections 68-70, bear relation both to the conduct of the debtor and to the administration of his estate, and are generally—

(*a*) To protect the interests of the general public by inquiring into, exposing, and providing for the punishment of fraudulent and reckless trading or culpable extravagance:

(*b*) To protect the interests of the creditors at an early stage of the proceedings by obtaining and giving them the information, without which they are helpless, and which experience shows they are unable to obtain for themselves:

(*c*.) To act as interim receiver of the bankrupt's estate pending the appointment of a trustee, and as manager where no special manager is appointed.

He will also receive and examine proofs and take such other formal proceedings as are required to be taken before the creditors are called together.

The official receivers and other persons appointed by the Board of Trade will be paid out of public money, and the Exchequer will be recouped by means of fees and percentages (ss. 77, 128).

At any time after being adjudged bankrupt the bankrupt may apply to the Court for an order of discharge, but the application is not to be heard until the public examination of the bankrupt is concluded. Notice of the day fixed for the hearing is to be published and sent to the creditors. On the hearing of the application the Court is to take into consideration the report of the official receiver as to the bankrupt's conduct and affairs, and may either grant the order unconditionally, or, on proof of certain acts of misconduct by the bankrupt, refuse or suspend it, or qualify it by conditions as to after-acquired property, but the Court is directed to refuse discharge if the debtor has committed any misconduct under the Bankruptcy Law, or under Part II. of the Debtors' Act.

Under the present Act the lines of an undischarged bankrupt will no longer fall in such pleasant places as heretofore. He will be subject to various civil disabilities. For instance, he will be incapable of holding any municipal or local government office. He will also be criminally liable if he obtains credit to the extent of £20 without disclosing the fact that he is an undischarged bankrupt, so that for the future his trading operations will be somewhat limited, and he will not be able to compete on such favourable terms with people who are paying their way. Provision is also made for carrying out more effectually the criminal clauses of the Debtors' Act, 1869.

We have now passed in review the main features of the new Act. Many of its provisions are entirely new as regards England, but if we look across the water we shall find that several of these new provisions are taken with more or less modification from the laws of other countries where they have been found to work efficiently. I am not going to inflict on you a disquisition on foreign bankruptcy laws, but perhaps the following notes comparing four or five salient and novel features of the Act with the corresponding provisions of some of the Continental codes may be of interest to you.

Official Receiver.—Most of the duties imposed by the Act on the official receiver and the committee of inspection devolve in France on the *juge commissaire*, who is a lay member of the Tribunal of Commerce. An appeal lies from his decisions to the Court, so that his position is pretty much that of a registrar under the Act of 1869. The order of the Court declaring the insolvency designates also the *juge commissaire* who is to have charge of the proceedings. (French Code, Arts. 451-454.) It is his duty to convene the first meeting of creditors; to decide whether the debtor, who it seems is always liable to be arrested in the first instance, shall be admitted to bail (Art. 472); to examine the debtor concerning his affairs and the causes of his failure (Art. 477); to superintend the realisation and administration of the estate by the syndics or trustees (Arts. 485, 486), and to discharge the functions vested by the Act in the committee of inspection as to authorising sales of property, dividends, &c.; to report to the Court before any proposal for a composition is entertained (Art. 514); to attend and preside at the subsequent meetings of creditors if composition is not allowed (Art. 532); and to present to the Court the resolutions of the creditors concerning the debtor's discharge (Art. 538). The order of the Court declaring the insolvency provisionally designates a syndic or trustee. When the creditors have met and their opinion has been taken, and the *juge commissaire* has reported, permanent syndics or trustees are appointed by the Court. (Arts. 462-467.)

Under the Netherlands Code, when a debtor is declared insolvent the Court appoints one of its members to be judge commissary, and his functions appear to be similar to those of the *juge commissaire*

under the French Code. The Court at the same time appoints one or more curators, or trustees of the estate, "by preference to be chosen out of the creditors." (Netherlands Code, Art. 787.) The court may at any time change the curators on the application of the creditors or of the judge commissary.

In Italy the status and functions of the judge delegate appear to be strictly analogous to the status and functions of the *juge commissaire* in France.

The *juge commissaire* in Belgium seems to have the same status and duties as the official of the same name in France. But officialism is carried further in Belgium than in France. The Code enables the Government to appoint sworn liquidators, and further provides that in any *arrondissement* where sworn liquidators (*liquidateurs assermentés*) have been appointed, the curators of the estate shall be chosen from among them. I do not know how far this permissive provision is acted upon.

Trustees.—In France in the first instance the syndic or trustee is appointed provisionally by the Court. When the creditors have met the *juge commissaire* consults the creditors as to whether the provisional syndic should be confirmed or whether some other person should be substituted. He then reports to the Court, and the Court thereupon decides who shall be the permanent syndic. It is said that the provisional appointment is almost always confirmed. The Court has power under certain conditions to remove and replace syndics. When the syndic has administered the estate and rendered his accounts, his remuneration is fixed by the Court on the report of the *juge commissaire*. The Court in France has therefore a complete controlling discretion, in the exercise of which it is guided by the *juge commissaire*. (French Code, Arts. 462-470; Bravard-Demangeat, pp. 555-560.)

Under the Netherlands Code the curators or trustees are appointed by the Court. The Court is directed "by preference" to appoint them out of the creditors, but the discretion is complete. The Court may remove or replace the curators on the application either of a creditor or the judge commissary. (Netherlands Code, Arts. 787, 788.) The curators, I gather, get no remuneration till the debtor's affairs are finally settled. By Art. 863 the remuneration is fixed at 1 per cent. of the gross amount realized, "without prejudice to the power "of the Court to allot to the curators a sum for special time "employed, if this seems just, on account of the smallness of the "estate or unusual trouble in realizing it."

In Germany the administrator is in the first instance appointed by the Court. (German Code, Art. 70.) The creditors may afterwards suggest another name, but it is in the discretion of the Court to accept or refuse their nominee. The Court may at any time remove an administrator on the application of the creditors. By Art. 77 the administrator may claim repayment of all proper cash outlays and

remuneration for managing the affairs of the bankruptcy. The Court fixes the amount of outlay and remuneration to be allowed.

(*f.*) *Payment into Bank of England.*—In France, Art. 489 of the Code provides that all moneys collected or received by the syndics shall, after deduction of such sums as the *juge commissaire* may allow for costs and expenses, be forthwith paid into the "Caisse des Dépôts et Consignations." Within three days after receiving any moneys the syndics must prove to the *juge commissaire* that they have complied with this rule. No moneys once paid in can be withdrawn without the order of the *juge commissaire.* (French Code, Art. 489; see Arts. 479, 4·0 of Belgian Code to same effect; also Art. 597 of the old Italian Code.) "The 'Caisse des Dépots et Consignations' is a "Government institution established for the custody of moneys "required to be deposited in the course of legal proceedings. "Amounts so deposited bear interest at the rate of 3 per cent. after "they have been 60 days in deposit. The funds thus derived serve "for loans to communes at moderate rates" (Goirand's Code de Commerce, p. 803.)

Under the Netherlands Code all moneys received are deposited in a "safe." The judge commissary determines who shall have keys of the safe. The cash balance is made up monthly, and the judge commissary then determines what sums shall be invested in the "consignation fund" for the benefit of the estate. (Netherlands Code, Arts. 810, 811.)

(*g.*) *Composition.*—Under the foreign codes, as under the Act, there is but one gate into insolvency, namely, an order of the Court; and two gates out, namely, bankruptcy or composition. The foreign codes only allow of composition, when sanctioned by the Court, after an official investigation into the debtor's conduct and affairs.

Under the French Code bankruptcy is divided into (*a*) simple and (*b*) fraudulent bankruptcy. It is only in the case of simple bankruptcy that composition is allowed. The composition or concordat must be assented to by a majority in number of the creditors representing three-fourths in value. Secured creditors have no vote. (French Code, Arts. 507, 510.) The Court has a discretion either to affirm or dissallow the composition; and before allowing in the Court must have before it the report of the *juge commissaire* "concerning the character of the insolvency and the admissibility of the composition." (Arts. 514, 515.)

The provisions of the Netherlands Code resemble generally those of the French Code. The composition, however, must be assented, to by two-thirds in number of the unsecured creditors, representing three-fourths in value. (Art. 841.) All parties interested are heard by the Court for or against the composition; and before the sanction of the Court is given the assent of the public prosecutor must also be obtained. (Art. 847.)

The provisions of the German Code are similar to those of the

French Code, except that the committee of inspection and the administrator take the place of the *juge commissaire*. (See Arts. 160-174.)

(*h.*) *Public Examination.*—The foreign codes do not in terms provide for a public examination of the debtor, but they all provide for an official investigation of his conduct, and various supplementary provisions secure publicity to the proceedings. (French Code, Art. 482; Belgian Code, Art. 494.)

(*i.*) *Undischarged Bankrupt.*—The status of an undischarged bankrupt does not appear clearly from the foreign bankruptcy laws. In France, it seems his position is pretty much that of an outlaw. According to Bravard-Demangeat a bankrupt, until "rehabilitation" by the Court, cannot exercise any of the rights of a French citizen, and, moreover, is prohibited under penalties from acting as a commercial agent or from entering the Bourse (p. 641).

(*k.*) *Criminal Proceedings.*—The foreign codes seem to consider a bankrupt as *primâ facie* a criminal. The onus appears to lie on him to show that his failure was due to misfortune, and not to misconduct. Bankruptcies are divided into simple and fraudulent bankruptcies. Fraudulent bankruptcy is punished with great severity. In the case of simple bankruptcy, the following offences are (*inter alia*) punishable criminally, namely:—

(i.) Failure to keep the trade books required by law, or tampering with such books. (French Code, Art. 585; Netherlands Penal Code, Art. 3; German Code, Art. 210.)

(ii.) Extravagance in living, gambling, or speculation. (German Code, Art. 210; French Code, Art. 585.)

(iii.) Insufficient disclosure of affairs. (Ditto.)

(iv.) Becoming bankrupt without having discharged all liabilities under a previous composition. (French Code, Art. 586.)

The French Code provides that the cost of prosecutions shall be borne by the State. (Art. 587.) It further provides that all bankruptcy proceedings shall be laid before the public prosecutor. (Art. 482; see to same effect Belgian Code, Art. 494.)

To sum up, all the foreign codes agree in considering bankruptcy as a matter of public concern requiring official investigation. I am not aware that the statistics of German, Dutch, or Italian bankruptcies are available; but the statistics of French bankruptcies during the last 10 years are summarized in an article in the "Economist" of 16th December 1882. It appears from those statistics that insolvent estates in France pay much better dividends than insolvent estates in England. How far this is due to the more stringent bankruptcy law of the former country may be a debateable point, but the facts are significant.

In conclusion, gentlemen, we shall most of us, I doubt not, watch with eager interest the working of this new experiment, which, for good or for evil, must have a great effect on the commercial interests

B 2

of this country. If the experiment succeeds in the main, amendments in detail, which the practical working of the measure will suggest, will, no doubt, be introduced. If it fails like its predecessors, pretty nearly everything in the shape of a bankruptcy law will then have been tried, and we shall be brought face to face with the last alternative, namely, the abolition of all bankruptcy laws, and the reversion to the old principle, "Let the foremost [creditor] win, and the devil take the hindmost."

Discussion on Mr. Chalmers' Paper.

The Chairman (Mr. J. Herbert Tritton): In rising to move a vote of thanks to Mr. Chalmers for his exceedingly clear and able *resumé* of the chief points of the Bankruptcy Act, 1883, I must confess that after forty-one Acts dealing with this question within the term of a moderately short lifetime, we cannot be very sanguine, even the most sanguine of us, as to the results of this measure. At the same time, as in substance the whole of the recommendations that the Institute of Bankers made have been embodied in the Act, we, at any rate, are bound to look upon it with the most hopeful eyes. It must be admitted that the Act, as passed, differs from the Bill as first proposed, and differs, I think, materially, for the better. We have to thank many gentlemen who are more or less connected with us for this result. Of course we must award a large measure of respectful praise to the President of the Board of Trade (whatever may be our political views) for the ability and tact with which he carried the measure through Parliament, and for his readiness to hear every side of the question, even from those who sometimes had little right to obtrude upon his time. But there are other gentlemen, also, to whom our thanks are due, and I am glad to see present our friend, Mr. Dixon-Hartland, M.P., one of those who worked hardest in the matter, and whom we have warmly to thank for the very great difference in that which affects us bankers almost more than anyone else, viz., the schedule dealing with the securities in the hands of creditors. There is a very marked improvement in that, in its final shape, over what it first showed. The clauses of the Act touching the debtor himself, are, I think, good almost from first to last; and if I were to single out anything particularly good, I should say it is the public examination, which is necessary in all cases, whether of composition or bankruptcy. The turnstile, as Mr. Chalmers says, through which the debtor has to pass, may be an easy one or a difficult one—a great deal must depend on the questions that are put to that individual on passing through the turnstile. When we come to the clauses relating to the administration of the estate, there may, perhaps, be a good deal more difference of opinion. The official machinery is, of course, necessarily somewhat cumbrous, but I feel, as no doubt do many others, that we cannot pass judgment, at the present stage, upon that machinery, because it is not yet at work. The rules of Court, which will very much affect the Act, have not yet been made known. In the case of all new machinery there must be expected a certain amount of friction to be overcome, but I suppose a large amount of administrative machinery is necessary to prevent that unknown factor in all bankruptcies and liquidations—I mean, a section of creditors, for good reasons or bad, so frequently claiming a predominating share in the administration

of the estate. Whether or not this can be entirely prevented I know not, but that the Act will do much in this direction is apparent from its terms. I think we may anticipate that under this Act compositions will be few, and bankruptcies the rule. That may be a benefit, or it may be the reverse; at any rate, the Act will place the debtor upon his trial. But the Legislature, in passing this Act, has also placed the *creditor* upon his trial. The creditor will now have an opportunity given him—such as he has not had before—of having a large share in the administration of a bankrupt's estate which proceeds by way of composition. But if he shows himself supine, as he has shown himself in the past, he will not be much better off under this Act than before. At any rate, I think you will agree that for the present our attitude should be rather one in which the Apostolic virtues of "faith, hope, and charity" should be exemplified. We look forward in faith to the individuals who will have the chief administration of this Act; we hope that all their doings will be inspired not only with zeal, but with discretion; and we also feel that we must have a good deal of charity in overlooking the inevitable frictions which will at first occur, even if the Act is eventually to be a success.

Mr. Dixon-Hartland, M.P.: Your Chairman has said that I have taken a considerable interest in the measure now produced. It is true that I myself introduced two measures into Parliament on on the subject of Bankruptcy, which passed their second reading; and I was an active member of the Grand Committee in which this Bill was passed. Before I say anything with regard to this Act, I wish to bear my testimony to the great talent displayed in the paper which we have heard from Mr. Chalmers, and also to state that during the whole of the time he attended the Grand Committee, we were very much indebted to the courtesy, industry, and great knowledge which he showed upon the subject, and for the help he rendered Mr. Chamberlain upon it. I am quite willing to give Mr. Chamberlain every credit for the measure, but if he had not had able men behind him, of whom Mr. Chalmers was one of the first, I am sure you would not have had the measure that is now before you. I have great hopes that the measure may be one that may be advantageous to the public in general. I do not take so much credit to myself in the matter alluded to by the chairman, viz.: the alterations I introduced into the schedules, as I do as regards the battle of the Bankers, which I consider I fought in regard to the balances. Mr. Chalmers has told you that we have got the plum, and the Board of Trade has the husk, and I hope it will turn out so. The only part of Mr. Chalmers' paper that I do not agree with is that part on page 559, in which he states that "under certain specified circumstances the Committee of Inspection may apply to the Board of Trade to authorise the trustee to make his payments into and out of a local bank." Now, that is not the Act, in my

opinion, as passed by the committee. The Board of Trade have no option at all, under any circumstances, under Section 74, except under one condition. There is no option "provided it appears to the Committee of Inspection that for the purpose of carrying on the debtor's business, or obtaining advances, or because of the probable amount of cash balances, &c." Under these three conditions the Committee can go to the Local Bank without any power from the Board of Trade whatever. On the other point "if the Committee shall satisfy the Board of Trade, or if for any other reason" that is another matter. That is the only point where I differ from his paper. I think one of the most important points of the measure is the independent investigation by which every bankrupt will have to give to everybody interested an account of his doings. There are, however, two weak points in the Act, one (which Mr. Chalmers has called beneficial) is the abolition of the debtor summons. There is no doubt that this has been made in certain cases, a means of coercion to honest men; but I know you will agree with me that, in many cases, nothing will bring a dishonest man to book except a debtor's summons. He knows that if he is made a bankrupt there is an end to his transactions; and if we are to wait till we get a judgment debt, in many cases it will be perfectly impossible to pursue these swindlers. The difficulty of getting a judgment debt upon a bill of exchange is at the present moment enormous; and at the time the courts are up for three months, when the judges will not take contention matter, if a man makes a false affidavit there will be no more chance of getting a judgment debt than flying, and therefore, for three months in the year, the swindlers will have a fine time of it. That was one of the points I brought forward in the Committee, and again in the House, when the Bill came up on report. I think you will find that that will have to be altered, and I have no doubt it will be when the Government sees it is necessary, because I think Mr. Chamberlain is thoroughly anxious that the Act should be a success, and if it can be proved that it helps the swindlers, we shall, no doubt, see it altered in time. The only other point is the question of expense. I do think we have got here into a system of officialism which, though I approve of it to a certain point thoroughly and entirely, will work expensively, and that may have also to be modified. I quite agree with the closing paragraph of the paper. In America, in many States there is no Bankruptcy law, and it is found to work exceedingly well, and I am afraid we shall come to it in this country, for if this Act, when it is modified, is not a success, we shall veer over fast to that conclusion.

Mr. WHINNEY (Vice-President of the Institute of Chartered Accountants): I desire to make a few observations with respect to the Bankruptcy Act and the paper which has been read to-night. Bankruptcy itself may be looked at under two aspects; one is the administration of the estate, and the other is the

conduct of the debtor. As to the conduct of the debtor it is a matter of public policy as to whether the debtor should have his discharge from the creditors themselves or from the Court of Bankruptcy. Opinions have fluctuated very much on that subject. Speaking personally, I think it is far better that a man's conduct should be judged by the Court. There are all sorts of influences brought to bear upon creditors in order to get a man his discharge—and I think improper influences. And again, frequently creditors vote a man his discharge from feelings of compassion, whether a man's conduct has been good or bad. I have myself seen proxies from creditors come into the room and pass a solemn resolution that the debtor's inability to pay 10*s.* in the pound has arisen from facts over which he has no control. I should have thought that he had a very great deal of control over the facts which made him a bankrupt. For instance, setting into circulation a large number of accommodation bills is a fact within a man's control. I think that is reducing the administration of the Bankruptcy laws to something worse than a farce. That, I am happy to say, is being abolished by the present Act. As to the public examination which is to take place in the case of every debtor there is, as is the case with almost every subject, a great deal to be said on both sides of the question. But of this I am quite certain, that unless some definite line is laid down as to the way in which that public examination should proceed, and as to the kind of questions to be put, every examination will become a farce. At the present time an examination in the Court of Bankruptcy—a man's last examination—is very little else than a farce. The question which is commonly put when you object to a man's passing is, "Well, has he given up all his estate?" Unless you can answer in the negative, the debtor passes his examination. That is not the way to examine into a debtor's conduct. Whether the official receivers will in the course of their comparatively short acquaintance with a man's affairs be able to advise the Court whether a man's conduct has been or has not been honest will depend to a great extent upon the character and training of the persons who are appointed official receivers. Some appointments have already been made, and so far as I know those appointments are considered satisfactory; but I am quite certain of this that the official receiver will have to depend to a great extent upon the official who is next in the scale after him, and that is, in the case of bankruptcy, the trustee, and, in the case of a scheme of arrangement or compensation, the special manager who may be appointed in the estate. It is impossible—it is absolutely impossible—in the case of the failure of a large debtor or a banker—for any man in one or two days to say accurately whether a debtor has or has not been honest. I say that as the result of considerable experience. The official receiver must, unless he is a very keen and acute man, be content to view a man's conduct with spectacles other

than his own. Speaking generally, however, I think the Bankruptcy Act, so far as it deals with the conduct of the debtor, is certainly a considerable improvement on its predecessor. That Act might have been improved by a very few simple rules and orders; but it has gone now, or rather it is in the process of disappearing, and I will not trouble you with the way in which that might have been amended. With respect to the administration of the estate it has been a crying evil, that is to say, an evil upon which people have cried out much more loudly than they need have done—that they were not able to get accounts, that they had no control over the trustee. I venture to say that the first fault committed by creditors was in appointing a trustee who was not worthy of being a trustee. Again creditors have been slow to avail themselves of the facilities granted by the court, and facilities which ought to have been, but were not readily granted by the Court to summons the trustees and make them give an account. Upon that point I see Mr. Chalmers says, that when the accounts of the trustees have been audited by the Board of Trade, a copy of them is to be sent to the Court, and to be open to the creditor's inspection. I go further than that, and I say that every trustee, and every man who acts in the administration of a bankrupt's estate is bound to produce his accounts whenever he is asked. I know, however, that creditors are lax in asking for accounts. I tested it on one occasion. In declaring a final dividend I inserted in the notice to the creditors, that the audited accounts were open to their inspection, whenever they pleased. They came for their dividends, but never looked at the accounts. Honest trustees rejoice in the opportunity of getting their accounts disposed of. They get a final order; they will get rid of all questions as to whether the solicitor's costs ought or ought not to be taxed—a question which ought never to have been raised. They will get rid of unclaimed dividends, and there is very often a great deal of difficulty in getting creditors to claim their dividends. People will not fetch them. Again, the dishonest trustee is now carrying on his profession, if you can call it so, in the case of a dishonest trustee, with a rope round his neck. If you can bring home to any man in the future that he has not accounted properly, or that he misbehaves himself, the Board of Trade, under the present Act, will have the power of refusing to appoint that man trustee in any case, and I think, and I hope, that the Board of Trade will exercise that power. As far, therefore, as the conduct of the debtor goes, I think the Act is a very considerable improvement upon that which has gone before. As far as the administration of the estate goes the Act provides the means of trustees rendering their accounts, the means of having them closed, the means of providing independent investigation into a man's conduct, and the means of informing creditors of that which they could be informed of before if they had asked questions. Under the circumstances, I think the Act, taken altogether, is a decided

improvement. Something has been said about the readiness with which the President of the Board of Trade was willing to listen to suggestions. I can endorse that statement very heartily. I had occasion, with my colleagues, to see the President on three occasions, and we found him very straightforward, very business-like, a man who grasps a point at once, and who was very reasonable, and quite ready to hear both sides of the question. He seems to me to have taken a great deal of trouble in order to master the subject, which is, to a very great extent, a subject of detail. He appears to have taken that trouble successfully. I think we cannot have everything that is perfect here, but I think this is a very considerable instalment in the improvement of the Bankruptcy laws.

Mr. BUTT: Will the meetings of creditors be public, like the proceedings in Court?

Mr. HANSARD: I wish to confirm what Mr. Dixon-Hartland has already said as to bankers being affected adversely by the abolition of the old debtors' summons. So far as I know under the present Act we shall not be in so good a position for obtaining a prompt remedy on a Bill of Exchange as we were under the old Act. Perhaps Mr. Chalmers may be able to set me right on that point. But I must say the old debtors' summons was a very speedy way of securing some attention on the part of the acceptor of a dishonoured Bill to your demand for payment. I recollect on one occasion where a solicitor had been instructed to serve an acceptor of an unpaid Bill with a debtor's summons, which, I believe, was returnable under the late or expiring Act in fourteen days. It was notorious he was not paying other creditors. Of course the debtors' summons quickly brought him to book, and his reply to the question why he had disregarded other demands was that he never took the least notice of writs—he had a barrow full of them at home—and never paid the least attention to them until execution issued. Unless there is some provision in the new Act for obtaining execution at once I confess I fear during the Long Vacation we shall have to wait a long time before we can compel the acceptor of a dishonoured Bill to file a petition. I see there is a note calling attention to the case of Griffin. It refers, I, suppose to debtors' summonses having been used for enforcing simple trade debts. I think unless we have some speedy remedy for making the acceptor of a dishonoured bill a bankrupt the new Act will only enable the fraudulent debtor to put away his assets instead of handing them over to a trustee at once and that he will have the power of making things snug for himself and paying friendly creditors. May I also ask Mr. Chalmers whether in the Act there is any definition of "Suspension of Payment," I do not want to extract a legal opinion gratis but I notice suspension of payment is considered an act of bankruptcy. Well, if a man dishonour an acceptance, and in many cases where bills are not met we know it is practically suspension of payment, can we compel the debtor to file a petition. Many gentle-

men in this room must be well aware that it frequently happens that a debtor refuses to pay large creditors though he continues to pay smaller creditors and is making things generally snug for himself.

Mr. H. Woodburn Kirby: It appears to me that one very important matter has been overlooked by the framers of this Act. While there is provision by which the Official Receiver can be appointed *interim* Receiver between the date of the presentation of the petition and the receiving order, neither the Court nor the Official Receiver has any power to appoint a manager, either under a petition presented against, or by a debtor, until after the receiving order has been made. Those who have had any experience in the administration of insolvent estates know that debtors frequently continue their business so long as it is possible for them to do so, and, where they may be engaged in heavy works or contracts, it is, in practice, found necessary, immediately on the suspension of payment, to appoint a manager to carry on the work, pay the men, and, if necessary, raise money for these purposes. If the contracts are stopped, it may, and often will act detrimentally to the interests of the creditors. In all cases where a business is to be conducted, it is better that someone should be in a position to step in and take the place of the debtor, and thus protect the creditors' interests. As to the alteration in the law affecting the proof of creditors on current bills, contained in the first schedule of the Act, Section II., it is well known that the power hitherto conferred on holders of current bills has been greatly abused, and it appears to me that the new regulations will not put an end to that abuse, and for this reason, that the bills have only to be valued for the purpose of voting, and not for the purpose of dividend. There is, in fact, no penalty attached to undervaluing bills for the purpose of voting, and the valuation for such a purpose is solely a matter of opinion. Only a little while ago I was attending a meeting in Liverpool, where a great majority of trade creditors objected most strenuously to the estate going into liquidation; some of the cash creditors, however, were anxious that the estate should be liquidated by arrangement and voted accordingly. When the meeting broke up it was not known whether the resolutions for liquidation were carried, in fact it appeared that bankruptcy would ensue, but during the following day or two a bank came in and signed the resolutions for a sum of (if my memory serves me) upwards of £70,000 on current bills, the majority of which were good. The resolutions for liquidation were thereby carried and duly registered. Under the altered provisions there is nothing to prevent this re-occurring now, and I am of opinion that bankers should be very careful of the manner in which they allow their managers or officials to prove in respect of current bills for voting purposes. It is entirely in their own hands whether this crying abuse is abolished or continued, although in a slightly modified form.

Mr. Chalmers: We have had some very interesting comments on the Act. With reference to what Mr. Dixon-Hartland said, I think the construction he puts on section 74 is probably the right one. I think in the three cases specified the Committee of Inspection will be able to appoint a local banker; but in the fourth case, that is, if there be any other account which they think the local bank ought to be authorised to keep, then they must get leave from the Board of Trade. Still there will have to be a statement made by the Committee of Inspection to the Board of Trade that all these specified things have been fulfilled. Mr. Whinney has reviewed the Act, and from his great experience he thinks it may work well; and that ought, certainly, to be a good augury. It will be found that for the easy working of the Act the proper and best course for all parties will be to appoint as trustees men of recognised standing, over whom there is some control. In those cases, I take it, the Board of Trade would be only too anxious to make everything work smoothly and easily. When they get men they know they can trust, the provisions of the Act will, though stringent, be worked in such a manner as to give rise to little or no practical difficulty. On the whole, I should think, the result wlll be to throw considerably more business into the hands of chartered accountants and solicitors of standing, and to exclude the "hangers-on" of the Bankruptcy Court, who have hitherto brought so much discredit on bankruptcy administration. Then as to the question whether the meetings of creditors will be public, the Act says nothing about it, I apprehend that a meeting of creditors is like any other meeting, and that the only people entitled to be at the meeting are the creditors; and if the creditors like to admit any other person they can. I was asked a question by Mr. Hansard about bills of exchange. I think it was felt by the House of Commons that bankruptcy ought not to be made the means of enforcing debts. If you want to enforce payment of an ordinary debt—if a man has not committed an act of bankruptcy—you ought not to go beyond the ordinary proceedings of the courts to make it more summary. Under the recent rules there is a provision called "Order XIV." That order provides that in the case of a liquidated demand you can serve a writ on a man, and before any other proceedings are taken, the persons seeking to enforce the Bill (a bill is a liquidated demand) can make an affidavit that there is no defence to the action. The defendant is then summoned before a judge, and unless he shows there is *prima facie* ground for defence, judgment is there given. The effect of this procedure is that under "Order XIV" you can get judgment in 14 days. If the plaintiff can show a good case, and the defendant cannot show a *prima facie* ground of defence, you can get execution in 14 days. Then Mr. Hansard raised the question of the vacation. But urgent applications can be made to the vacation judges. There are now always two judges in town during that period. I apprehend that in future vacations these applications will still be

heard. So that for enforcing a debt you have the summary procedure in the ordinary courts, which is I think the proper way of enforcing a demand if a man has not committed an Act of Bankruptcy. It is not for the interest of the creditor to force a bankruptcy, because he then gets a dividend only instead of being paid in full.

Mr. HANSARD: Then the state of law procedure as regards obtaining judgment is much the same as before, and unless you can suppress fraudulent affidavits which are used for the purpose of creating delay, we shall be in a much worse position than before the passing of this Act, when we could resort to the old debtor summons. I fear we shall have much difficulty in compelling a man to promptly file his petition under the present Act.

A vote of thanks was carried to Mr. Chalmers for his Paper.

£2 10*s.* PER CENT. ANNUITIES.

The Lords Commissioners of Her Majesty's Treasury, acting on the powers conferred on them by Section 19 of the Act 45 and 46 Vict., c. 72, have given notice that from the 5th January, 1884, the dividends on the £2 10*s.* per Cent. Annuities will be paid quarterly instead of half-yearly, and that the first quarterly dividend will become due on the 5th April next.

This change will in effect give the holders a bonus of £$\frac{5}{16}$ per cent. on the amount of their Stock: that is to say, they will receive 12*s.* 6*d.* per cent. in April and 12*s.* 6*d.* in October in each year that they would not otherwise have received until the following July and January respectively, and they will thus gain the use of 12*s.* 6*d.* for six months—equivalent to 6*s.* 3*d.*, or £$\frac{5}{16}$, for a year. This gain will continue from year to year in perpetuity, and the permanent use of 6*s.* 3*d.* is equivalent to a gift of that amount.

Previously to the announcement of the proposed change, the price of £2 10*s.* per Cent. Annuities was quoted as 89 per cent. It has since risen to a fraction over 90 per cent., there being no coincident advance in the price of Consols, which has remained almost stationary at about 101$\frac{7}{8}$ per cent.

Taking into account the fact that a 2$\frac{1}{2}$ per cent. stock at 90 yields an investor only £2 15*s.* 7*d.* per cent., while a 3 per cent. Stock at 101$\frac{7}{8}$ yields him £2 18*s.* 11*d.*, this exceptional appreciation would seem; to indicate that apart from the gain of £$\frac{5}{16}$ per cent. already explained, other considerations have induced a preference for the first-named Stock.

The following is the text of the Treasury notice :—

£2 10*s.* PER CENT. ANNUITIES.

Payment of Dividends quarterly.

The Lords Commissioners of Her Majesty's Treasury hereby give notice :—

1. That, in pursuance of section 19 of "The Revenue, Friendly Societies, and National Debt Act, 1882," they have ordered that the dividends payable in respect of the £2 10*s.* per cent. Annuities shall

be paid quarterly, after the payment of the dividends of the said Annuities becoming due on the 5th day of January, 1884.

2. That the first quarterly dividends will accordingly become due on the 5th day of April, 1884.

3. That the outstanding stock certificates with coupons annexed, entitling the bearer of the coupons to the half-yearly dividends of the said Annuities, must be exchanged for new certificates with coupons for quarterly dividends.

4. That holders of stock certificates must affect such exchange before the dividends due on and after the 5th day of April, 1884, in respect of such certificates can be paid.

5. That stock certificates with half-yearly coupons issued by the Bank of England will be exchangeable free of charge at the Chief Cashier's Office of the Bank of England on and after the 7th day of January, 1884, and that certificates of stock issued by the Bank of Ireland will be exchangeable free of charge at the Bank of Ireland in Dublin on and after the same date.

Treasury Chambers,
12*th November*, 1883.

THE CLEARING SYSTEM IN GERMANY.

An important movement has within the past few months been successfully promoted among the bankers of Germany. Hitherto, although there was no lack of bankers, either private or joint-stock. their attention had been directed rather to the discount of bills, and the development of credit generally, than to the cultivation of deposit banking. Indeed, as well with them as on the Continent generally, the name of banker has been by no means so restricted in its application as among ourselves, but is extended to financial institutions for the development of credit upon almost any basis, and to many private individuals occupying rather the position of commission agents or brokers than of bankers, as we understand the term. Most business transactions, even of small amount, have been settled by the giving of bills payable at a future date, against the presentation of which the money, in coin or notes, could be provided. But during the last few years a very great increase has taken place in banking deposits, and in the appreciation of the cheque as a means of making or receiving payment; so much so, that on the 14th of February last, a meeting of the principal bankers of Berlin was held at the offices of the Imperial Bank, for the purpose of considering the best method of promoting and facilitating the use of the cheque among the commercial body, and the following arrangements for the issue and payment of cheques, and for the establishment of a Clearing House, were unanimously agreed to :—

1.—The members of the Clearing House must only issue cheque forms, which are worded as follows :—

.... Bank, or Messrs. ....
in Berlin.

Pay on presentation of this cheque from the amount at $\frac{\text{my}}{\text{our}}$ credit to

M...or Bearer, Marks....................................

the.............................. th,.......... ....18........

Cheque forms, payable to order, may also be issued.

Every cheque must bear in the top left hand corner the running number, and in the top right hand corner the amount in figures; at the bottom must be printed an intimation that cheques payable at a future date are prohibited.

2.—Cheques in which the words "or bearer" are struck out must not be paid.

3.—It is permissible to indicate, by writing or stamping across a cheque the words "only for settlement in account," that it must not be paid in cash, but must

be passed through the transfer account of the bank on which it is drawn, or of some other member of the Clearing House. The bank on which a cheque thus marked is drawn, is responsible for the due observance of this stipulation, which, once made, cannot be cancelled.

4.—Cheques which are made payable on a future day, or are drawn otherwise than on demand, must not be honored.

5.—No cheque must bear an acceptance.

6.—Members of the Clearing House will see that cheques are only drawn on them by their customers against credit balances, payable on demand, and will break off connections with any customers infringing this rule.

7.—The members bind themselves to receive cheques which are drawn on the other members of the Clearing House, not only from their own customers, but also from other banks in Berlin, for settlement through the clearing, free of charge.

8.—Members will, by means of circulars, &c., draw the attention of their customers to the benefits which they especially, and also the public generally, will derive from the introduction of the cheque system, and will undertake to provide them with the requisite articles of stationery, cheque books, pass books, &c., free of charge.

9.—The regulations numbered above 2 and 4 are to be printed on the cheque forms.

Rules for the election of new members, and of the Council of Administration of the Clearing House, were also agreed to, as well as the following general principles of association :—

1.—The task of management and supervision of the Clearing House, which is to be located in the building of the Imperial Bank, devolves upon the Directors of the Imperial Bank, assisted by the banking firms which have become parties to this agreement.

2.—The operations of the Clearing House will be limited to cheques, cash orders, and such bills, acceptances, and domiciles as the members of the Clearing House may mutually wish to settle in this manner.

3.—The clearing is carried out by direct interchange between the members interested, and the final settlement is effected by means of debit and credit entries in their respective transfer accounts with the Imperial Bank.

4.—The act of handing in a draft to the Clearing House is to be considered a due and proper presentation, and settlement of the same in the ordinary course of clearing is to be considered as payment in the sense of the common law.

5.—Members may be represented at the daily clearings, either by one of their own employés, or by one of the other members, or by his representative.

6.—The working of the Clearing House is to be regulated in accordance with the following set of rules, which have been approved and signed by all the members. During the next nine months the Committee are empowered to make arrangements differing from these if they think fit, especially with regard to the hours for deliveries, returns, and final settlements, such decisions being forthwith communicated to all the members.

7.—All the members are to share equally the expenses arising from the establishment and working of the Clearing House, with the exception of the premises wherein it is to be situated, which are placed at the disposal of the members free of charge, by the Imperial Bank. The amounts of the contributions shall be fixed by the Directorate of the Imperial Bank, and collected half-yearly.

Working rules were also agreed upon, which have since been somewhat modified, and now stand as follows:—

I.—Every working day at a certain hour the Imperial Bank, as well as every other member of the clearing will send an authorised representative to the Clearing House, even if they have no drafts to hand in. The authorisations of the representatives must be made out according to a form agreed upon, they will be examined by the Head of the Clearing House, and retained in his custody.

II.—The drafts intended for clearing must be properly sorted and stamped with the name of the firm sending them; bills and cash orders must be properly receipted.

III.—The Clearing House is opened at 8.45 a.m. At 9 o'clock the whole of the representatives have to be in their appointed places, and on the signal being given by the Head of the Clearing House the interchange of drafts begins. Each representative hands to the representatives of the banks from which he has to receive payment the drafts on them, together with the relative lists and forms of acknowledgment, which latter must be signed by the recipients and returned after comparison and checking of the lists. Each representative must enter the amounts of his lists in the Debit and Credit lists to be filled up by him in the forms provided; the entries in the Debit lists should be made if possible before delivery to the Clearing House.

IV.—After completion of deliveries the representatives return to their respective banks with the drafts they have received in order to examine them. At 12.30 they reassemble to return unpaid drafts, with answers attached, and special lists and forms of receipt for signature. The returns are considered as reverse deliveries, and fresh entries of Credit and Debit are made, but the lists must be specially marked "R." All drafts not returned by 12.30 are considered paid.

V.—Fresh deliveries of drafts may also be made at 12.30 to be accompanied by lists marked "2nd delivery," and will be treated according to Rules III. and IV.

VI.—When the deliveries and returns are over each representative adds up his Debit and Credit lists and enters the amounts on the balance sheet. He then ascertains, by adding up and balancing this latter how much his bank has to pay to or claim from the other banks collectively. He then makes out a transfer slip for the day's balance, and hands it to the Head of the Clearing House together with his balance-sheet, at foot of which is a duplicate of the transfer form, which he also fills up.

VII.—The Head of the Clearing enters the balances of the sheets in the balance book, the debit and credit totals of which must agree with each other; he then compares it with the transfer forms on the balance sheets, marks them, and returns them to their respective representatives. He retains the transfer slips, and hands a copy of the balance book to the transfer office of the Imperial Bank, where the necessary entries are made in the accounts of the clearing bankers and of the Clearing House itself.

VIIA.—At 4 p.m. a last meeting takes place, and drafts of the second delivery not then returned are considered paid. New deliveries take place, limited to cheques and acceptances of the members, and are treated as previously provided. As soon as the deliveries and returns are completed the balances are struck and settled as provided in Rules VI. and VII. Drafts of this final delivery are considered paid if not returned, either to the House or direct, by 5.30.

VIII.—The Head of the Clearing House must see that any errors which may have arisen are rectified before he makes the entries in his balance book; when this has been done, and all the representatives have received back their balance-sheets marked, the clearing is finished and the representatives can leave the house.

IX.—The manager has to keep a book for entering the number and totals of the drafts delivered by each member. This book together with the balance book and the transfer slips remain in his own keeping.

These arrangements appear to have been in many respects modelled upon the practice of existing associations, and are generally well calculated to afford the advantages that have elsewhere been derived from the system of payment by clearing.

The Association at present consists of eighteen members, ten joint stock and eight private firms, comprising the leading bankers of Berlin. Each bank is entitled to send one representative to a general meeting, and to one vote in the election from among themselves of four members of the Executive Committee. This Committee consists of five members, four of whom are chosen by ballot, annually, at a general meeting to be held in February, and a fifth in the person of a Director of the Imperial Bank, who acts as Chairman. The Committee meets as often as is required, or may be convened by the Chairman upon the request of two of the members. Three members form a quorum, and decisions are taken by an absolute majority. The questions of the admission of new members of the Association, and of the alteration of any of the rules of membership, are reserved for the General Assembly, which may be summoned by the President of the Imperial Bank, at his discretion or upon the requisition of five members. The attendance of half of the members is necessary to the transaction of any business, and decisions are taken by an absolute majority except in the case of alterations of any of the fundamental rules, when the majority must consist of three-fourths of those present.

That this institution will prove of the utmost service to the bankers concerned, both by the convenience of collecting their drafts, and by economising the use of coin and notes, cannot be doubted, but it will probably in a still greater degree assist in the extension of the cheque system. Already, we are informed, the turnover in cheques by the Imperial Bank and other banks has increased, and is still rapidly increasing. Already, too, the principle of payment by clearing has been adopted by the bankers of several other cities, and similar institutions have been established in Frankfort, Hamburg, Cologne, Stuttgardt, Leipsic, and Dresden. It must be admitted, however, that all this has not been left to private enterprise, as the initiative has been in each case taken by the Imperial Bank, and in each case the arrangements are under the care and control of that institution.

NOTES ON RECENT ADDITIONS TO THE LIBRARY.

The Practice of Banking (Vol. II.) *—By JOHN HUTCHISON.

IN a previous number of this *Journal* (Vol. II., p. 467,) the first volume of Mr. Hutchison's "Practice of Banking," which appeared some two years since, was briefly noticed, and the second volume of increased dimensions is now published, to be followed in due course by a third if the author's intentions are carried out. When complete this work might almost be called the bankers' "Vade Mecum," for it goes so minutely into every subject likely to come under the banker's notice in the course of his business that he will scarcely need any other book of reference: the very rates of postage on his letters and the mode in which he should address them are set forth *in extenso.*

Previous hand-books of the law or practice of banking have been written either from the legal or the practical point of view, but the present work combines both aspects, for the writer is evidently a thoroughly practical man, his main fault being the almost unnecessary descent to *minutiæ*, while at the same time he views the whole of the operations of the business of banking with a distinctly legal mind, and quotes chapter and verse in support of almost all his statements.

The compilation of so exhaustive a treatise on the practice of banking must necessarily entail a great deal of labour, and it is not therefore surprising that the book should be published in instalments, but it would certainly have been preferable to have published it in a complete form, rather than have had to print at the close of Vol. II. numerous addenda to Vol. I., rendered necessary by the alterations in law during the interval between the appearance of the two volumes, such as the passing of the Bills of Exchange Act, 1882, the Married Women's Property Act, and other Acts which interest bankers.

In addition to this want of completeness to a given date, the book will scarcely take its place as a standard work on the practice of banking generally in this kingdom, inasmuch as the author having been, as he states in his preface and as would be immediately apparent on perusing but a few pages of his work, an officer of one of the largest provincial joint stock banks, his main ideas and propositions of banking practice are based on the customs of similar provincial banks, and he quite ignores the fact that the most influential and prosperous banks of the kingdom are conducted on quite different principles. To illustrate this the remarks at page

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* London: Effingham Wilson.—1883.

195 of the present volume on the subject of the charge for commission on the current and operative deposit accounts of a bank may be instanced. The reader, unless he was otherwise informed, would assume that the universal banking practice in England was to charge a commission on all current accounts, and that such charge was the main and most legitimate source of profit to the banker. Not a word is said of the London banks who pursue a totally different practice, and who, from adopting the custom of making no charge on current accounts, and on the other hand allowing no interest thereon, have attracted that enormous volume of business which has not only been most profitable to them, but has offered the utmost facility to the monetary transactions of the greatest city in the world. It is beyond the province of this short notice of Mr. Hutchison's volume to enter at large into this question, but it is well worth consideration whether the London practice is not by a long way preferable both for the interest of the banker, the customer, and the commerce of the country.

The volume under review starts with a long chapter on inspection and contains very numerous forms of all kinds, which may or may not be useful as a guide to banking readers. The remarks in the last paragraph as to the book being in its details principally applicable to English provincial banking, are especially exemplified in this chapter, which refers, in all its details, to the operations between the branches of a provincial bank and its head office. There is also a very lengthy specimen of a letter from a Bank Inspector to a Branch Manager, after he has completed his inspection at the branch, and all that can be said about it is that both the Inspector who would have to write the letter, and the Manager, whose shortcomings would necessitate its production are to be pitied. Of course, no such letter is ever likely to be written, and it is only introduced into the book for the purpose of calling attention to many of the little errors of practice which may from day to day crop up in the conduct of any ordinary business. This chapter on Inspection is interlaced with pages of Post Office regulations, long lists of Insurance Offices, dissertations on the Usury laws, and a variety of foreign matters, which swell out the book most unnecessarily. It is followed by two chapters on ordinary bank documents and returns, and contains at least 150 forms of document.

The remainder of the volume contains a great deal of information about the Bank of England, transactions in the Funds, the rules and practice of the Stock Exchange, and other matters interspersed with numerous tables, quotations from stamp acts, &c. In fine, the whole book gives evidence of very careful compilation, and a desire to give the banking reader almost all the information it is necessary for him to have in the conduct of his daily business; but the result is a very undue expansion of the work, both in size and price, which will doubtless diminish its usefulness by placing it beyond the means of the majority of bank officials.

LORD OVERSTONE.

THE death of Lord Overstone, at the age of 87, has removed from us almost the last of a group of practical financial authorities, of which he was one of the most conspicuous. Their achievements, indeed, belong to a past generation, but the present age reaps the benefit of their wisdom and foresight, and of the measures which they advocated and assisted in carrying out.

As a partner in the banking-house of Jones, Loyd and Co., Lord Overstone was enabled in early life to study the practical side of banking and financial questions, and to the knowledge of facts thus acquired he added a mastery of economic principles. With a mind thus disciplined he viewed the various financial questions, which were pressing for solution, in a judicial and critical spirit, free from all partisan and political bias, so that the severance of his connection with the House of Commons in 1826 (he was the last survivor of those who sat in the House of Commons in the reign of George III.) was hardly to be regretted either for himself or for the country.

His name will be chiefly remembered, together with that of the late Mr. Norman, in connection with the discussion and agitation, which, commencing shortly before the appointment of the Parliamentary Committee of 1833, culminated in the Bank Charter Act of 1844. This Act was in the main drawn on the lines which these great economists had suggested, and which Lord Overstone had maintained both in the opinions he expressed before the Parliamentary Committees of 1833 and 1844 and in numerous pamphlets in which he enforced his views with great clearness and logic.

Among other questions of importance to the banking world upon which Lord Overstone left his mark was that of decimal coinage. In 1859 a Commission to examine into the subject was appointed consisting of Lord Overstone, Mr. Hubbard (now the Right Hon. J. G. Hubbard), and Lord Monteagle, and as the latter shortly afterwards retired, the matter was left solely in the hands of Lord Overstone and Mr. Hubbard. Their clear and exhaustive reports conclusively demonstrated, in spite of the recommendation of the Committee of 1853, the undesirability of attempting to establish any such scheme in England.

As a practical banker Lord Overstone was eminently successful, and he possessed that order of mind which led his opinion to be sought by most of the Governments of the day as one which could be relied upon alike for common sense and safety. Nor were his energies confined solely to matters of finance, but in such varied occupations as a promoter of the Great Exhibition of 1851, a trustee of the National Gallery and others, he showed the same safe judgment and acuteness.

RECENT PAPERS ON THE GOLD QUESTION.

1.—*What is the True Measure of the alleged Appreciation of Gold?**—By NATHANIEL CORK.

2.—*Gold* versus *Goods*.†—By JOHN BIDDULPH MARTIN.

THESE two Papers treat on the Gold Question, and both of them deal with that phase of it which is now discussed under the title of "The Appreciation of Gold." It is a pity that the Papers, which have both been reprinted, are not published, though they will probably be found in the transactions of the respective Societies.

Mr. Cork, in his Paper, breaks a lance with Mr. Giffen, Mr. Patterson, Mr. Goschen, and the bi-metallists generally (not that he classes the gentlemen referred to in that category), and disputes their conclusions as to there being any appreciation of gold at all, if, indeed, he does not carry the war into the enemy's camp, and contend that we are still suffering rather from the depreciation of gold, resulting from the Californian and Australian gold discoveries.

As the paper is divided into chapters, his argument may be conveniently followed. In chapter No. 2 he disputes the correctness of the calculations based on an index number, pointing out with great clearness, as also does Mr. Martin, that the system is fallacious unless the relative importance of the various articles, as shown by the expenditure upon each commodity by the community be taken into account. In the third chapter he demurs to the dates selected by the three gentlemen named above,—the first two comparing the prices of 1873 with 1879, and Mr. Goschen, 1873 with 1883. Many have felt that the choice of the year 1873 was not altogether justified, and Mr. Gibbs made some qualification in regard to it. But surely Mr. Cork falls into the error which vexed him in the case of the index number, when he compares prices in the following mode :—

Tea, per lb.	...	In 1870,	*d.* 17.18	...	In 1882,	*d.* 12·58
Cattle (each)	...	"	£ 18.20	...	"	£ 21.25
Sheep "	...	"	*s.* 34.37	...	"	*s.* 45.51
			69.55			79.34

* A Paper read at the meeting of the Social Science Congress, Huddersfield, October, 1883.

† A Paper read before the Economic Section of the British Association, at Southport, September 24th, 1883.

This is not his entire list, but it is the mode adopted to show that prices are dearer now than in 1870. Then follows a claim for the influence of the enormously increased production in late years of most articles, together with the greatly developed means of transportation. To this succeed arguments to show that the lapse of time has not been sufficient yet to show that any appreciation has happened, followed by conclusions drawn from bad harvests, the rise in wages, and the small effect of the diminished metallic circulation upon the amount represented by capital and credit, especially when, as he states, the "falling off has been more than balanced by the increased economy in the use of gold."

Mr. Cork is doing good service in calling attention to such points as are apt to be lost sight of in a period of depression; but some may be inclined to think that if those who hold the views he combats, have sometimes been tempted to magnify their facts by looking at them through a telescope, he is not a stranger to the use of the same misleading instrument, only that he has looked through it from the other end.

Under the title of "Gold *versus* Goods," Mr. John B. Martin makes a contribution to the gold question in a paper read before the British Association at Southport. Commencing with a clear exposition of the expressions "appreciation" and "depreciation of gold," and showing with simplicity but accuracy the causes which lead to the one or the other, Mr. Martin considers how "the individual, the nation, the world at large are affected by a change in the level of prices, or, still more, how they are affected during the process of change." "There are," he says, "two parties to every exchange, and we are all buyers and sellers in turn, whether of goods or services rendered, or of 'value received' in some form or other. We all expect to get full value for what we take, and in the vast majority of instances to part with it again at a profit. How can we do this if gold becomes scarce and prices fall?" This undoubtedly is the question of the day, which is taxing so many minds, and from the tone of his essay Mr. Martin appears to think that the question does not create much practical difficulty, but is receiving a solution in the infinite variety of circumstances which go to make up our daily commercial life. In an able review of what is going on around us and is happening every day, he shows how, in many instances, a healthy trade may remain so in spite of falling prices, by the freer use of machinery, the opening of fresh markets, and by the elimination of the middleman. The chief cost of all produced articles lies, he says, in wages, and when these rise so as to trench on the small margin left for profit, production will become less profitable, and may be carried on at a loss. Referring to the recent estimates of Mr. Goschen and Mr. Giffen, Mr. Martin admits that prices in many instances have fallen, and that the rate of interest on first-class

securities has fallen in late years. He admits also that there is a greater strain thrown on gold by reason of its diminished supply and the increased demand for it, though he holds no alarmist views as to a famine of gold; but, summing up all the considerations to which he has been led, he concludes that "the undeniable reduction in the cost of many commodities has been chiefly caused by greater economy in the making, rather than by dearth of the means of paying for them, and that we buy more of these commodities because we have more to spend; and if we live in dearer houses and pay higher rent and rates, is it not because we insist on having better houses, better drains, roads, water-supply, and education? We appear, as a nation, to have more money in our pockets and more money at the bank. Temporary fluctuations apart, the trade and navigation returns show that we are always making more manufactured articles, and the income tax returns show that we are increasing our incomes, while on the other hand we have relatively to our total population fewer paupers amongst us; nor have we suffered from the destruction of capital and increase of taxation that accompanies long and devastating wars."

Mr. Martin thinks that many may regard his opinions, under present circumstances, as too optimist, but he has faith that amidst the many evidences of prosperity "the gradual adjustment of prices," which Mr. Giffen regarded four years ago as affording the only outlet from the situation, will take place.

It will be seen that in this essay what is called the "thorny path of bi-metallism" is not once trodden. This is a wise course, and the questions discussed can be considered more satisfactorily if not complicated with so difficult a theme, but it must be confessed that Mr. Martin does not seem to have quite answered the question he put himself—"How can we ensure profit if gold becomes scarce and prices fall?"

The general complaint of manufacturers and commercial men at the present time seems to be, that though the volume of business done is larger than ever, the profit is less. The employment needed to sustain this volume of business keeps up, by the law of supply and demand, the wages of labour. But in view of the general belief that gold is appreciated, and will continue to appreciate, and that with it prices will continue to fall, this question as to how the profit is to be ensured is clearly not settled. The two essays under review are thoughtful contributions to the discussion, but they will scarcely satisfy those who suffer, when one seems disposed to tell them that they are altogether mistaken, and ought to be cheerful; and the other, that it is only through suffering, or, in other words, "a gradual adjustment of prices," that they can eventually reach safe ground.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Oct. 31. 1	1883. Nov. 7. 2	1883. Nov. 14. 3	1883. Nov. 21. 4	1883. Nov. 28. 5
BANK OF ENGLAND.					
ISSUE DEPARTMENT.	£	£	£	£	£
Notes issued	37,128	36,959	36,855	36,881	35,344
Government debt	11,015	11,015	11,015	11,015	11,015
Other securities	4,735	4,735	4,735	4,735	4,735
Gold coin and bullion	21,378	21,209	21,105	21,131	19,594
	37,128	36,959	36,855	36,881	35,344
BANKING DEPARTMENT. LIABILITIES.					
Proprietors' capital	14,553	14,553	14,553	14,553	14,553
Rest	3,079	3,090	3,099	3,103	3,101
Public deposits	4,460	4,209	4,630	5,734	3,603
Other deposits	23,381	23,588	24,129	23,868	22,059
Seven day and other bills	179	197	207	185	224
Total	45,652	45,637	46,618	47,443	43,540
ASSETS.					
Government securities	13,679	13,679	14,679	14,989	10,381
Other securities	19,893	19,822	19,571	19,734	22,638
Notes	11,363	11,265	11,390	11,790	9,679
Gold and Silver coin	717	871	978	930	842
Total	45,652	45,637	46,618	47,443	43,540
Notes in the hands of the Public	25,765	25,694	25,465	25,092	25,665
Reserve	12,080	12,136	12,368	12,720	10,521
Proportion of reserve to liabilities (per cent.)	43·11	43·35	42·69	42·70	40·64
Rate of discount	3 %	3 %	3 %	3 %	5 %
	Nov. 1.	Nov. 8.	Nov. 15.	Nov. 22.	Nov. 29.
RATES OF EXCHANGE ON LONDON.					
Paris, cheque— (par £1 = 25f. 22½ c.)	25·22½	25·23	25·21	25·19½	25·22½
Berlin, 8 days— (par £1 = 20m. 43 pf.)	20·36	20·35½	20·34	20·33½	20·34½
New York, 60 days— (par £1 = $4·867)	4·80¾	4·81¾	4·81¾	4·82½	4·79¾
Calcutta, 4 m/d— (per rupee)	1s. 7 9/16 d.	1s. 7½d.	1s. 7 15/32 d.	1s. 7⅝d.	1s. 7 11/16 d.

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus:—£1,000 = £1,000,000.

For the weeks ending	1883. Nov. 1. 1	1883. Nov. 8. 2	1883. Nov. 15. 3	1883. Nov. 22. 4	1882. Nov. 23. 5
BANK OF FRANCE. (Converting the franc at 25 to the £)					
LIABILITIES.	£	£	£	£	£
Public deposits	4,691	3,321	3,693	2,517	*13,805*
Private deposits	13,172	15,334	14,233	15,022	*15,137*
Notes in circulation	121,584	120,404	121,409	119,644	*110,737*
Other items	12,560	12,647	12,615	12,696	*12,939*
Total	152,007	151,706	151,950	149,879	*152,618*
ASSETS.					
Gold	38,423	38,412	38,317	38,338	*38,743*
Silver	40,617	40,531	40,431	40,373	*43,971*
Bills	43,513	42,845	43,421	41,667	*41,577*
Advances	17,988	18,294	18,000	17,940	*16,786*
Other items	11,466	11,624	11,781	11,561	*11,541*
Total	152,007	151,706	151,950	149,879	*152,618*
Rate of Discount	3 %	3 %	3 %	3 %	*3½ %*
	Oct. 31.	Nov. 7.	Nov. 14.	Nov. 23.	*Nov. 23.*
IMPERIAL BANK OF GERMANY. (Converting the reich-mark at 20 to the £)					
LIABILITIES.	£	£	£	£	£
Notes in circulation	39,465	38,870	37,927	37,162	*37,338*
Current accounts	8,773	8,776	8,737	10,252	*8,611*
Other items	6,985	6,987	6,984	6,983	*6,902*
ASSETS.					
Coin and bullion	27,365	27,483	27,697	28,317	*26,978*
Bills and Loans	24,198	23,640	22,643	22,284	*22,859*
Other items	4,146	4,012	3,823	4,334	*3,688*
Rate of discount	4 %	4 %	4 %	4 %	*5 %*

WEEKLY RETURNS.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

For the weeks ending	1883. Oct. 13. 1	1883. Oct. 20. 2	1883. Oct. 27. 3	1883. Nov. 3. 4	*1882. Nov. 4.* 5
NEW YORK ASSOCIATED BANKS. (Converting the dollar at 5 to the £).					
LIABILITIES.	£	£	£	£	£
Notes in Circulation	3,035	3,053	3,079	3,083	*3,726*
Net Deposits	63,296	62,559	61,713	61,477	*57,690*
ASSETS.					
Loans and Discounts	65,585	65,544	64,982	64,711	*63,518*
Specie	11,290	10,709	10,491	10,470	*10,405*
Legal Tenders	4,967	4,927	4,876	5,036	*4,014*
Legal Reserve (being one-fourth of net Deposits)	15,824	15,640	15,428	15,369	*14,422*
Reserve held (consisting of Specie and Legal Tenders)	16,257	15,636	15,367	15,506	*14,419*
Surplus...........	433	4*	61*	137	*5**
	Oct. 31.	Nov. 7.	Nov. 14.	Nov. 21.	*Nov. 22.*
MISCELLANEOUS.	£	£	£	£	£
Clearing-house returns	120,580	97,717	124,981	99,203	*111,530*
Average price of wheat	40s. 6d.	40s. 3d.	40s. 1d.	40s. 3d.	*40s. 8d.*
Price of consols	$101\frac{1}{4}$	$101\frac{9}{16}$	$101\frac{13}{16}$	$101\frac{13}{16}$	*102*
Bar silver, fine, per oz. standard	$50\frac{7}{8}$d.	$50\frac{13}{16}$d.	$50\frac{1}{4}$d.	$50\frac{9}{16}$d.	*$51\frac{3}{8}$d.*
3 % French Rentes	$77 \cdot 97\frac{1}{2}$	77·65	77·75	$77 \cdot 92\frac{1}{2}$	*80·15*

* Deficit.

SUMMARY OF BANK RETURNS

OF VICTORIA, NEW SOUTH WALES, NEW ZEALAND, SOUTH AUSTRALIA, QUEENSLAND, TASMANIA, AND WESTERN AUSTRALIA.

Compiled from the Sworn Averages for the Quarter ended 30th June, 1882.

LIABILITIES.

	Notes in circulation not bearing interest.	Bills in circulation not bearing interest.	Balances due to other Banks.	Deposits not bearing interest.
	£	£	£	£
Victoria	1,436,120	86,097	270,710	7,081,243
New South Wales	1,595,502	58,920	581,855	8,560,286
New Zealand	1,005,326	53,042	41,420	4,326,948
South Australia	556,691	14,363	111,020	2,323,050
Queensland	441,046	16,899	114,108	1,966,558
Tasmania	160,960	30,634	19,657	—
Western Australia	24,254	804	3,276	181,629
Totals	5,219,899	260,759	1,142,046	24,439,714

	Deposits bearing interest.	Total Deposits.	Total amount of Liabilities.
	£	£	£
Victoria	14,689,782	21,771,026	23,563,955
New South Wales	13,384,806	21,945,092	24,181,372
New Zealand	* 5,051,988	9,378,936	10,478,726
South Australia	2,761,061	5,084,112	5,766,187
Queensland	2,969,164	4,935,722	5,506,787
Tasmania	—	† 2,745,814	2,957,068
Western Australia	273,654	455,284	483,620
Totals	39,130,455	66,315,986	72,938,715

* New Zealand.—This includes £868,802 Government deposits.
† Tasmania.—In this Colony's Bank Returns deposits bearing interest are not distinguished from those not bearing interest.

ASSETS.

	Coined Gold and Silver, and other metals.	Gold and Silver in bullion or bars.	Landed Property.	Notes and Bills of other Banks.
	£	£	£	£
Victoria	2,503,598	313,434	917,230	144,935
New South Wales	3,117,286	65,431	658,324	92,882
New Zealand	1,743,871	161,932	360,596	44,558
South Australia	951,825	6,688	328,687	64,945
Queensland	971,657	104,723	238,157	13,827
Tasmania	520,470	—	50,322	—
Western Australia	115,746	—	15,683	1,655
Totals	9,924,453	652,208	2,568,999	362,433

	Balances due from other Banks.	All debts due to the Banks.*	Total amount of Assets.
	£	£	£
Victoria	308,378	† 24,484,974	28,672,553
New South Wales	3,497,211	‡ 22,890,098	30,321,234
New Zealand	54,435	§ 14,674,752	17,040,147
South Australia	134,563	¶ 7,777,183	9,263,894
Queensland	336,927	** 6,148,988	7,814,547
Tasmania	356,484	†† 1,942,207	2,869,490
Western Australia	36,401	‡‡ 537,535	707,023
Totals	4,724,399	78,455,737	96,688,888

* Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills and balances due to the banks from other banks.
† Victoria.—Government securities (if any) held by the banks are not separately distinguished in their ret rns.
‡ New South Wales.—This includes £1,488,141 Government securities.
§ New Zealand.—This includes £80,000 Government securities; notes and bills discounted, £4,411,754; debts due to the banks, exclusive of debts abandoned as bad, £9,773,140; securities not included under other heads, £409,858.
¶ South Australia.—This includes £55,000 Government securities.
** Queensland.—This includes £3,100 Government securities; stamps, £216
†† Tasmania.—This includes £153,900 Government securities.
‡‡ Western Australia.—This includes £5,200 public securities.

(From the *Australasian Banking Record.*)

SUMMARY OF BANK RETURNS

OF VICTORIA, NEW SOUTH WALES, NEW ZEALAND, SOUTH AUSTRALIA, QUEENSLAND, TASMANIA, AND WESTERN AUSTRALIA.

Compiled from the Sworn Averages for the Quarter ended 30th September, 1882.

LIABILITIES.

	Notes in Circulation not bearing Interest.	Bills in Circulation not bearing Interest.	Balances due to other Banks.	Deposits not bearing Interest.
	£	£	£	£
Victoria	1,370,132	104,941	327,777	6,670,206
New South Wales	1,603,313	53,041	693,345	8,079,601
New Zealand	945,366	51,979	34,163	4,036,119
South Australia	528,275	14,177	147,352	2,024,756
Queensland	479,155	22,233	272,115	2,124,240
Tasmania	159,999	54,921	24,719	—
Western Australia	23,923	837	3,233	170,345
Totals	5,110,163	302,129	1,502,704	23,105,267

	Deposits bearing Interest.	Total Deposits.	Total amount of Liabilities.
	£	£	£
Victoria	15,239,741	21,909,947	23,712,797
New South Wales	14,135,093	22,214,694	24,564,396
New Zealand	* 4,847,553	8,883,672	9,915,184
South Australia	2,875,750	4,900,506	5,590,312
Queensland	3,209,170	5,333,410	6,106,915
Tasmania	—	† 2,775,493	3,015,137
Western Australia	283,905	454,250	482,245
Totals	40,591,212	66,471,972	73,386,966

* New Zealand.—This includes £696,400 Government deposits.
† Tasmania.—In this Colony's Bank Returns, deposits bearing interest are not distinguished from those not bearing interest.

ASSETS.

	Coined Gold and Silver, and other metals.	Gold and Silver in bullion or bars.	Landed Property.	Notes and Bills of other Banks.
	£	£	£	£
Victoria	2,639,265	332,362	929,905	138,804
New South Wales	3,007,532	68,326	678,357	98,634
New Zealand	1,759,727	163,321	367,100	46,765
South Australia	970,360	11,408	335,469	61,054
Queensland	1,078,628	** 101,444	243,613	18,464
Tasmania	510,047	—	50,972	—
Western Australia	115,212	—	16,174	1,747
Totals	10,080,771	676,861	2,621,590	365,468

	Balances due from other Banks.	All debts due to the Banks.*	Total amount of Assets.
	£	£	£
Victoria	267,116	† 25,580,194	29,887,646
New South Wales	2,710,075	‡ 24,440,329	31,003,255
New Zealand	52,743	§ 15,057,108	17,446,766
South Australia	103,525	¶ 8,556,585	10,038,402
Queensland	361,188	6,791,745	8,595,083
Tasmania	323,229	†† 2,043,874	2,928,126
Western Australia	26,451	‡‡ 564,768	724,355
Totals	3,844,327	83,034,603	100,623,635

* Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills, and balances due to the banks from other banks.
† Victoria.—Government securities (if any) held by the banks are not separately distinguished in their returns.
‡ New South Wales.—This includes £1,248,794 Government securities.
§ New Zealand.—This includes £80,000 Government securities; notes and bills discounted, £4,600,479; debts due to the banks, exclusive of debts abandoned as bad, £9,956,046; securities not included under other heads £420,583.
¶ South Australia.—This includes £55,000 Government securities.
** Queensland.—This includes stamps held.
†† Tasmania.—This includes £153,000 Government securities.
‡‡ Western Australia.—This includes £5,900 public securities.

(From the *Australasian Banking Record.*)

SUMMARY OF BANK RETURNS

OF VICTORIA, NEW SOUTH WALES, NEW ZEALAND, SOUTH AUSTRALIA, QUEENSLAND, TASMANIA, AND WESTERN AUSTRALIA.

Compiled from the Sworn Averages for the Quarter ended 31st December, 1882.

LIABILITIES.

	Notes in circulation not bearing interest.	Bills in circulation not bearing interest.	Balances due to other Banks.	Deposits not bearing interest.
	£	£	£	£
Victoria	1,448,952	121,205	301,050	6,826,819
New South Wales	1,675,141	59,166	811,034	7,735,916
New Zealand	967,061	68,956	30,907	3,576,650
South Australia	538,229	16,742	80,929	1,817,212
Queensland	525,726	16,654	378,135	2,090,627
Tasmania	162,265	46,047	24,709	—
Western Australia	27,478	781	2,307	197,111
Totals	5,344,852	329,555	1,629,075	22,244,338

	Deposits bearing interest.	Total Deposits.	Total amount of Liabilities.
	£	£	£
Victoria	16,798,270	23,625,091	25,496,302
New South Wales	14,808,632	22,544,548	25,089,891
New Zealand	* 4,700,414	8,277,064	9,343,991
South Australia	3,323,553	5,140,766	5,776,668
Queensland	3,589,429	5,680,056	6,600,572
Tasmania	—	† 2,864,297	3,097,319
Western Australia	280,594	477,705	508,273
Totals	43,500,895	68,609,533	75,913,016

* New Zealand.—This includes £448,994 Government deposits.
† Tasmania.—In this Colony's Bank Returns deposits bearing interest are not distinguished from those not bearing interest.

ASSETS.

	Coined gold and silver and other metals.	Gold and silver in bullion or bars.	Landed Property.	Notes and bills of other Banks.
	£	£	£	£
Victoria	2,860,644	341,088	959,301	144,648
New South Wales	2,806,648	87,906	688,398	100,200
New Zealand	1,685,180	171,847	388,134	50,100
South Australia	963,549	10,054	347,642	61,642
Queensland	1,062,728	129,941	248,963	14,740
Tasmania	505,835	—	53,233	—
Western Australia	130,381	—	18,899	2,829
Totals	10,014,967	740,838	2,704,572	374,161

	Balances due from other Banks.	All debts due to the Banks.*	Total amount of Assets.
	£	£	£
Victoria	380,476	† 26,562,427	31,248,584
New South Wales	2,946,858	‡ 25,084,122	31,714,134
New Zealand	43,033	§ 15,512,847	17,851,144
South Australia	194,118	¶ 9,235,493	10,812,499
Queensland	387,268	** 7,289,399	9,133,038
Tasmania	217,464	†† 2,213,293	2,989,827
Western Australia	22,035	‡‡ 597,914	772,060
Totals	4,191,254	86,495,495	104,521,286

* Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills, and balances due to the banks from other banks.
† Victoria.—Government securities (if any) held by the banks are not separately distinguished in their returns.
‡ New South Wales.—This includes £832,292 Government securities.
§ New Zealand.—This includes £964,616 Government securities; notes and bills discounted. £4,856,009; debts due to the banks, exclusive of debts abandoned as bad, £9,980,007; securities not included under other heads, £412,233
¶ South Australia.—This includes £55,000 Government securities.
** Queensland.—This includes £285 stamps held.
†† Tasmania.—This includes £150,976 Government securities.
‡‡ Western Australia.—This includes £5,200 public securities.

(From the *Australasian Banking Record.*)

SUMMARY OF BANK RETURNS

OF VICTORIA, NEW SOUTH WALES, NEW ZEALAND, SOUTH AUSTRALIA, QUEENSLAND, TASMANIA, AND WESTERN AUSTRALIA,

Compared from the Sworn Averages for the Quarter ended 31st March, [illegible].

LIABILITIES.

	Notes in circulation not bearing interest.	Bills in circulation not bearing interest.	Balances due to other Banks.	Deposits not bearing Interest.
	£	£	£	£
Victoria	1,526,267	56,276	263,046	6,480,582
New South Wales	1,674,870	63,202	829,700	7,560,290
New Zealand	981,435	56,029	22,405	3,465,591
South Australia	576,226	18,497	112,049	1,835,085
Queensland	523,419	19,720	408,279	2,032,551
Tasmania	171,945	29,865	22,525	—
Western Australia	29,787	2,175	9,122	193,246
Totals	5,483,949	245,864	1,668,129	21,567,345

	Deposits bearing interest.	Total Deposits.	Total amount of Liabilities.
	£	£	£
Victoria	17,773,036	24,253,619	26,099,208
New South Wales..	15,321,090	22,881,380	25,449,253
New Zealand	* 5,043,391	8,508,982	9,568,857
South Australia	3,195,142	5,030,228	5,738,001
Queensland	3,752,169	5,784,720	6,736,138
Tasmania	—	† 3,051,465	3,275,800
Western Australia	317,038	510,284	551,371
Totals	45,401,866	70,020,678	77,418,628

* New Zealand.—This includes £548,278 Government deposits.

† Tasmania.—In this Colony's Bank Returns deposits bearing interest are not distinguished from those not bearing interest.

ASSETS.

	Coined gold and silver and other metals.	Gold and silver in bullion or bars.	Landed Property.	Notes and bills of other Banks.
	£	£	£	£
Victoria	3,157,793	340,936	966,362	154,524
New South Wales	2,946,432	131,354	708,503	106,374
New Zealand	1,673,749	169,462	396,002	50,118
South Australia	981,604	8,132	341,882	72,425
Queensland	1,055,207	99,021	253,824	18,003
Tasmania	505,483	—	52,477	—
Western Australia	137,155	—	18,921	2,187
Totals	10,457,423	748,905	2,737,971	403,631

	Balances due from other Banks.	All debts due to the Banks.*	Total amount of Assets.
	£	£	£
Victoria	587,683	† 26,176,350	31,383,648
New South Wales	3,379,427	‡ 25,007,681	32,279,774
New Zealand	36,892	§ 15,415,995	17,742,221
South Australia	211,663	¶ 9,615,874	11,231,582
Queensland	563,391	** 7,497,588	9,487,034
Tasmania	175,554	†† 2,396,774	3,130,288
Western Australia	22,398	‡‡ 616,146	796,808
Totals	4,977,008	86,726,408	106,051,355

* Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills, and balances due to the banks from other banks.

† Victoria.—Government securities (if any) held by the banks are not separately distinguished in their returns.

‡ New South Wales.—This includes £687,800 Government securities, held by Commercial Banking Co. of Sydney, and an "average amount" of Government securities held by the Mercantile Bank of Sydney, £78,211.

§ New Zealand.—This includes £240,230 Government securities; notes and bills discounted £4,761,671? debts due to the banks, exclusive of debts abandoned as bad, £10,005,345; securities not included under other heads, £420,042.

¶ South Australia.—This includes £55,000 Government securities.

** Queensland.—This includes £848 stamps held.

†† Tasmania.—This includes £147,900 Government securities, and £95,831 amount of British and foreign bills of exchange remitted, but not yet matured.

‡‡ Western Australia.—This includes £7,500 public securities.

(From the *Australasian Banking Record.*)

SUMMARY OF BANK RETURNS

OF VICTORIA, NEW SOUTH WALES, NEW ZEALAND, SOUTH AUSTRALIA, QUEENSLAND, TASMANIA, AND WESTERN AUSTRALIA.

Compiled from the Sworn Averages for the Quarter ended 30th June, 1888.

LIABILITIES.

	Notes in circulation not bearing interest.	Bills in circulation not bearing interest.	Balances due to other Banks.	Deposits not bearing interest.
	£	£	£	£
Victoria	1,441,088	62,072	229,553	6,068,557
New South Wales	1,643,563	62,819	598,151	7,053,208
New Zealand	1,004,431	45,837	26,026	3,484,231
South Australia	550,147	16,042	128,195	1,553,115
Queensland	524,939	20,198	398,154	1,936,967
Tasmania	173,485	36,727	20,622	—
Western Australia	30,222	2,028	24,759	171,246
Totals	5,367,875	245,723	1,425,460	20,267,324

	Deposits bearing interest.	Total Deposits.	Total amount of Liabilities.
	£	£	£
Victoria	18,182,088	24,250,645	25,983,358
New South Wales	15,795,552	22,848,760	25,153,296
New Zealand	* 5,346,241	8,830,472	9,906,769
South Australia	3,072,207	4,625,323	5,319,706
Queensland	3,819,292	5,756,259	6,699,552
Tasmania	—	† 3,180,102	3,410,937
Western Australia	376,725	547,972	604,982
Totals	46,592,105	70,089,533	77,078,602

* New Zealand.—This includes £502,704 Government deposits.
† Tasmania.—In this colony's Bank Returns deposits bearing interest are not distinguished from those not bearing interest.

ASSETS.

	Coined Gold and Silver, and other metals.	Gold and Silver in bullion or bars.	Landed Property.	Notes and Bills of other Banks.
	£	£	£	£
Victoria	2,995,347	300,229	996,599	145,523
New South Wales	2,801,716	73,883	736,043	113,098
New Zealand	1,805,080	130,975	399,096	50,085
South Australia	895,892	7,541	348,582	71,546
Queensland	1,083,009	96,121	257,089	15,941
Tasmania	495,476	—	54,255	—
Western Australia	136,531	—	18,929	1,935
Totals	10,213,051	608,749	2,810,593	398,128

	Balances due from other Banks.	All debts due to the Banks.*	Total amount of Assets.
	£	£	£
Victoria	559,491	† 26,475,954	31,473,143
New South Wales	3,330,430	‡ 25,086,732	32,138,903
New Zealand	38,574	§ 15,364,265	17,788,078
South Australia	74,731	¶ 9,977,149	11,375,444
Queensland	476,666	** 7,807,159	9,735,987
Tasmania	186,829	†† 2,494,982	3,231,542
Western Australia	23,980	‡‡ 675,837	857,214
Totals	4,690,701	87,882,078	106,600,311

* Including notes, bills of exchange, and all stock and funded debts of every description, except notes, bills, and balances due to the banks from other banks.
† Victoria.—Government securities (if any) held by the banks are not separately distinguished in these returns.
‡ New South Wales.—This includes £927,646, average amount of Government securities held by Commercial Banking Co. of Sydney, and £79,311, average amount of N.S.W. Government debentures held by the Mercantile Bank of Sydney.
§ New Zealand.—This includes £80,000 Government securities; notes and bills discounted, £4,333,263; debts due to the banks, exclusive of debts abandoned as bad, £10,020,201; securities not included under other heads, £434,711.
¶ South Australia.—This includes £55,000 Government securities.
** Queensland.—This includes £248 Government securities.
†† Tasmania.—This includes £147,900 Government securities, and £44,713, amount of British and foreign bills of exchange remitted, but not yet matured.
‡‡ Western Australia.—This includes £7,500 public securities.

(From the *Australasian Banking Record.*)

In £'s sterling 000 omitted

For the Weeks ending.	ISSUE DEPARTMENT. Notes Issued. 1	Government Debt. 2	Other Securities. 3	Gold Coin and Bullion. 4	BANKING DEPARTMENT LIABILITIES. Proprietors' Capital. 5	Rest. 6	Public Deposits. 7	Other Deposits. 8	7 Day & other Bills. 9	Total. 10
	£	£	£	£	£	£	£	£	£	£
1882–Nov. 1	35,078	11,015	4,735	19,328	14,553	3,085	3,668	23,198	232	[illegible]
8	35,203	11,015	4,735	19,453	14,553	3,087	2,510	23,294	257	[illegible]
15	35,176	11,015	4,735	19,426	14,553	3,096	2,546	22,593	224	[illegible]
22	35,344	11,015	4,735	19,594	14,553	3,101	3,603	22,059	224	[illegible]
29	35,579	11,015	4,735	19,829	14,553	3,078	4,062	22,109	206	[illegible]
Dec. 6	35,603	11,015	4,735	19,853	14,553	3,056	4,524	22,438	245	[illegible]
13	35,720	11,015	4,735	19,970	14,553	3,063	4,999	22,005	221	[illegible]
20	35,826	11,015	4,735	20,076	14,553	3,066	6,056	22,085	197	[illegible]
27	35,407	11,015	4,735	19,657	14,553	3,076	6,951	21,876	173	[illegible]
1883–Jan. 3	35,477	11,015	4,735	19,727	14,553	3,186	6,290	25,927	219	[illegible]
10	35,631	11,015	4,735	19,881	14,553	3,332	4,533	23,038	201	[illegible]
17	36,212	11,015	4,735	20,462	14,553	3,363	3,611	24,181	223	[illegible]
24	36,697	11,015	4,735	20,947	14,553	3,370	3,747	23,906	184	[illegible]
31	37,068	11,015	4,735	21,318	14,553	3,387	4,072	22,289	188	[illegible]
Feb. 7	37,308	11,015	4,735	21,558	14,553	3,444	5,787	2,2049	236	[illegible]
14	37,448	11,015	4,735	21,698	14,553	8,451	6,795	22,530	225	[illegible]
21	37,807	11,015	4,735	22,057	14,553	3,494	8,855	22,783	186	[illegible]
28	38,007	11,015	4,735	22,257	14,553	3,770	9,697	22,812	171	[illegible]
Mar. 7	37,766	11,015	4,735	22,016	14,553	3,778	9,418	22,884	200	[illegible]
14	37,437	11,015	4,735	21,687	14,553	3 784	9,874	22,824	193	[illegible]
21	37,403	11,015	4,735	21,653	14,553	3,804	10,156	22,938	204	[illegible]
28	37,129	11,015	4,735	21,379	14,553	3,807	10,846	22,865	166	[illegible]
Apr. 4	36,753	11,015	4,735	21,003	14,553	3,802	11,571	22,260	193	[illegible]
11	36,293	11,015	4,735	20,543	14,553	3,087	7,183	23,708	216	[illegible]
18	36,079	11,015	4,735	20,329	14,553	3,092	6,999	22,976	199	[illegible]
25	35,974	11,015	4,735	20,224	14,553	3,096	6,848	22,634	181	[illegible]
May 2	35,770	11,015	4,735	20,020	14,553	3,100	7,036	23,533	219	[illegible]
9	35,263	11,015	4,735	19,513	14,553	3,112	7,352	23,282	212	[illegible]
16	34,639	11,015	4,735	18,889	14,553	3,121	6,702	23,450	202	[illegible]
23	34,897	11,015	4,735	19,147	14,553	3,126	7,388	22,081	192	[illegible]
30	35,264	11,015	4,735	19,514	14,553	3 089	7,356	22,918	161	[illegible]
June 6	35,563	11,015	4,735	19,813	14,553	3,081	7,725	22,709	178	[illegible]
13	36,108	11,015	4,735	20,358	14,553	3,091	7,494	22,391	181	[illegible]
20	36,853	11,015	4,735	21,103	14,553	3,096	8.642	22,276	184	[illegible]
27	37,208	11,015	4,735	21,458	14,553	3,099	8,589	22,015	176	[illegible]
July 4	37,046	11,015	4,735	21,296	14,553	3,154	8,861	23,209	202	[illegible]
11	37,007	11,015	4,735	21,257	14,553	3,312	4,556	22,758	216	[illegible]
18	37,012	11,015	4,735	21,262	14,553	3,337	4,473	23,830	218	[illegible]
25	37,419	11,015	4,735	21,669	14,553	3,343	4,660	23,247	174	[illegible]
Aug. 1	37,840	11,015	4,735	22,090	14,553	3,387	4,418	22,986	198	[illegible]
8	37,716	11,015	4,735	21,966	14,553	3.398	4,410	22,391	202	[illegible]
15	38,138	11,015	4,735	22,388	14,553	3.405	4,999	22,360	189	[illegible]
22	38,366	11,015	4,735	22,616	14,553	3,431	5,751	22,781	189	[illegible]
29	38,840	11,015	4,735	28,090	14,553	3,372	5,928	23,164	177	[illegible]
Sept. 5	38,902	11,015	4.735	23,152	14,553	3,741	5,454	23,559	208	[illegible]
12	39,098	11,015	4,735	23,348	14,553	3,756	5,870	25,269	184	[illegible]
19	39,163	11,015	4,735	23,413	14,553	3,775	6,028	25,086	209	[illegible]
26	39,352	11,015	4,735	23,602	14,553	3,776	6,103	25,053	182	[illegible]
Oct. 3	38,777	11,015	4,735	23,027	14.553	3,770	5,900	23,250	216	[illegible]
10	38,173	11,015	4,735	22,423	14,553	3,086	4,135	25,617	234	[illegible]
17	38,016	11,015	4.735	22,266	14,553	3,092	3,510	25,024	225	[illegible]
24	37,489	11,015	4,735	21,739	14,553	3,095	3,918	24,814	197	[illegible]
31	37,128	11,015	4,735	21,378	14,553	3,079	4,460	23,381	179	[illegible]

ıs, 1,000 = 1,000,000

BANKING DEPARTMENT.—ASSETS.					Notes in the hands of the Public. 16	Reserve. 17	Proportion of Reserve to Liabilities. 18	Rate of Discount.	For the Weeks ending.
·rnment ·urities. 11	Other Securities. 12	Notes. 13	Gold and Silver Coin. 14	Total. 15					
£	£	£	£	£	£	£	%	%	
2,581	22,945	8,376	834	44,736	26,703	9,210	33·98	5	1 Nov., 1882.
1,231	22,758	8,908	804	43,701	26,295	9,712	37·22	5	8
0,631	22,532	8,967	882	43,012	26,209	9,848	38·83	5	15
0,381	22,638	9,679	842	43,540	25,665	10,521	40·64	5	22
0,381	22,618	10,118	891	44,008	25,462	11,009	41·73	5	29
1,381	22,472	9,937	1,026	44,816	25,666	10,962	40·28	5	6 Dec.
1,381	22,198	10,382	880	44,841	25,338	11,262	41·36	5	13
1,381	23,375	10,380	821	45,957	25,446	11,201	89·52	5	20
1,381	24,796	9,714	738	46,629	25,693	10,452	36·04	5	27
1,376	29,115	9,057	627	50,175	26,420	9,684	29·85	5	3 Jan., 1883.
3,776	21,407	9,737	737	45,657	25,893	10,474	37·75	5	10
3,075	21,478	10,586	792	45,931	25,626	11,378	40·60	5	17
2,585	20,798	11,516	861	45,760	25,181	12,377	44·46	4	24
1,585	19,904	11,902	798	44,489	25,166	12,700	47·83	4	31
1,883	21,230	12,118	838	46,069	25,190	12,955	46·14	4	7 Feb.
2,383	21,883	12,380	908	47,554	25,068	13,287	44·93	3½	14
2,383	23,454	13,115	919	49,871	24,691	14,034	44·08	3½	21
2,383	24,563	13,172	885	51,003	24,835	14,057	43·01	3	28
3,142	23.874	12,885	932	50,833	24,881	13,817	42·51	3	7 Mar.
3,397	23,962	12,868	1,001	51,228	24,569	13,869	42·16	3	14
3,361	24,698	12,629	967	51,655	24,774	13,596	40·83	3	21
3,362	25,910	12,026	939	52,237	25,103	12,965	38·27	3	28
3,360	27,339	10,742	938	52,379	26,011	11,679	34·32	3	4 Apr.
4,347	22,902	10,543	955	48,747	25,751	11,498	36·96	3	11
4,335	22,182	10,372	930	47,819	25,706	11,302	37·45	3	18
4,335	21,654	10,361	962	47,312	25,613	11,323	38·17	3	25
4,335	23,615	9,501	990	48,441	26,269	10,491	34·07	3	2 May
.335	23,869	9,271	1,036	48,511	25,992	10,307	33·41	4	9
1,835	24,373	8,851	969	48,028	25,788	9,820	32·35	4	16
1,835	23,092	9,430	983	47,340	25,467	10,413	35·10	4	23
1,835	23,510	9,749	983	48,077	25,515	10,732	35·26	4	30
1,835	23,468	9,930	1,013	48,246	25,633	10.943	35·74	4	6 June
,315	22,452	10,906	1,037	47,710	25,202	11,943	39·72	4	13
,315	22,689	11,758	989	48,751	25,095	12,747	40·98	4	20
,315	22,402	11,735	980	48,432	25,473	12,715	41·30	4	27
,974	25,656	10,378	971	49,979	26,667	11,349	35·16	4	4 July
.966	21,783	10.657	989	45,395	26,350	11,646	42·30	4	11
,966	22,633	10,915	897	46,411	26,097	11,812	41·41	4	18
,966	21,593	11,511	907	45,977	25,908	12,418	44·22	4	25
,964	21,328	11,411	839	45,542	26,429	12,250	44·38	4	1 Aug.
,962	20,742	11,375	875	44,954	26,341	12,250	45·36	4	8
.962	20,722	11,973	849	45,506	26,165	12,822	46·54	4	15
,962	21,329	12,550	864	46,705	25,817	13,413	46·70	4	22
,962	21,316	13,131	785	47,194	25,709	13,915	47·40	4	29
,962	21,610	13,113	830	47,515	25,789	13,943	47·71	4	5 Sept.
,693	21,458	13,707	774	49,632	25,391	14,481	46·21	3½	12
,693	21,355	13,798	805	49,651	25,365	14,603	46·62	3½	19
,693	21,138	14,083	753	49,667	25,269	14,836	47·34	3½	26
,693	21,102	12,166	728	47,689	26,611	12,894	43·91	3	3 Oct.
,179	20,769	11,836	841	47,625	26,336	12,677	42·27	3	10
,679	20,137	11,902	686	46,404	26,114	12,588	43·77	3	17
,679	20,187	11,905	806	46,577	25,584	12,711	43·93	3	24
,679	19,893	11,368	717	45,652	25,765	12,080	43·11	3	31

In £'s sterling, 000 omitted: thus, £1,000 = 1,000,000.

For the weeks ending		LIABILITIES.				
		Public Deposits.	Private Deposits.	Notes in Circulation.	Other Items.	Total.
		1	2	3	4	5
		£	£	£	£	£
1882.—Nov.	2	15,700	14,591	112,021	12,780	155,092
	9	15,129	16,150	110,140	12,733	154,152
	16	14,964	14,562	111,173	12,806	153,505
	23	13,805	15,137	110,737	12,939	152,618
	30	13,870	16,052	114,590	12,866	157,378
Dec.	7	12,102	16,167	110,672	12,807	151,748
	14	11,885	15,246	110,961	12,795	150,887
	21	11,417	16,021	110,108	12,786	150,332
	28	11,786	16,206	111,614	12,383	151,989
1883.—Jan.	4	9,889	17,184	114,319	12,867	154,259
	11	8,986	15,973	116,495	12,716	154,170
	18	8,575	15,749	117,591	12,824	154,739
	25	9,098	17,153	115,981	12,360	154,592
Feb.	1	7,686	21,901	114,776	12,589	156,952
	8	7,105	22,880	113,179	12,337	155,501
	15	6,751	21,758	113,725	12,234	154,468
	22	6,218	21,912	112,116	12,289	152,535
Mar.	1	5,620	19,862	113,826	12,418	151,726
	8	5,105	19,767	113,089	12,781	150,742
	15	4,326	18,906	114,220	12,610	150,062
	22	4,313	18,527	113,253	12,629	148,722
	29	4,916	19,491	113,177	12,592	150,176
Apr.	5	4,436	17,192	115,455	12,883	149,966
	12	4,480	16,689	115,284	12,853	149,306
	19	4,685	17,044	114,976	12,565	149,270
	26	5,692	18,514	114,383	12,523	151,112
May	3	5,273	17,530	116,978	13,932	153,713
	10	5,318	18,289	115,867	12,632	152,106
	17	4,809	17,839	115,809	12,902	151,359
	24	4,235	18,346	115,350	12,643	150,574
	31	4,460	17,301	119,556	13,028	154,345
June	7	4,543	16,759	116,356	12,736	150,394
	14	5,649	15,764	116,228	12,807	150,448
	21	6,054	16,414	115,722	12,846	151,036
	28	7,205	17,641	116,030	12,725	153,601
July	5	6,574	16,241	119,393	12,842	155,050
	12	6,564	16,005	120,248	12,750	155,567
	19	6,422	15,975	120,372	12,130	154,899
	26	8,237	14,608	119,207	12,339	154,391
Aug.	2	8,704	14,265	120,124	12,757	155,850
	9	9,226	13,852	118,062	12,300	153,440
	16	9,220	12,821	118,069	12,269	152,379
	23	8,279	13,782	117,185	12,418	151,664
	30	8,755	14,205	118,210	12,352	153,522
Sept.	6	4,440	13,946	117,575	12,412	148,373
	13	5,200	12,751	117,555	12,368	147,874
	20	5,230	13,217	117,430	12,372	148,249
	27	5,446	14,807	117,143	12,381	149,777
Oct.	4	3,922	13,657	119,334	12,615	149,528
	11	3,152	13,508	119,740	12,591	148,991
	18	3,515	14,158	120,643	12,898	151,214
	25	4,296	13,365	119,828	12,576	150,065

[Converting the franc at 25 to the £.]

ASSETS.						Rate of Discount.	For the Weeks ending.
Gold.	Silver.	Bills.	Advances.	Other Items.	Total.		
6	7	8	9	10	11	12	
£	£	£	£	£	£	%	
38,866	44,627	42,642	16,833	12,124	155,092	3½	2 Nov., 1882.
38,987	44,523	41,858	16,955	11,829	154,152	3½	9
38,948	44,354	41,614	16,927	11,662	153,505	3½	16
38,743	43,971	41,577	16,786	11,541	152,618	3½	23
38,514	43,948	46,599	16,754	11,563	157,378	3½	30
38,720	43,795	40,378	17,013	11,842	151,748	3½	7 Dec.
38,637	43,720	39,775	16,791	11,964	150,887	3½	14
38,712	43,704	39,186	16,806	11,924	150,332	3½	21
38,579	43,651	40,873	16,786	12,100	151,989	3½	28
38,196	43,311	43,204	17,405	12,143	154,259	3½	4 Jan., 1883.
37,899	43,183	44,273	17,059	11,756	154,170	3½	11
37,981	43,178	45,062	16,876	11,642	154,739	3½	18
38,175	43,179	44,008	16,843	12,387	154,592	3½	25
38,706	43,223	45,740	17,212	12,071	156,952	3½	1 Feb.
39,072	43,302	43,588	17,711	11,828	155,501	3½	8
39,307	43,326	42,417	17,457	11,961	154,468	3½	15
39,619	43,402	39,878	17,984	11,652	152,535	3	22
39,691	43,360	38,724	17,958	11,993	151,726	3	1 Mar.
39,827	43,167	37,752	18,323	11,673	150,742	3	8
39,748	42,776	37,668	18,163	11,707	150,062	3	15
39,827	42,555	36,506	18,127	11,707	148,722	3	22
39,910	42,156	37,962	18,087	12,061	150,176	3	29
39,836	42,136	37,124	18,159	12,711	149,966	3	5 Apr.
39,697	41,705	38,101	18,080	11,723	149,306	3	12
39,870	41,817	37,071	18,098	12,414	149,270	3	19
39,991	41,834	39,345	18,075	11,867	151,112	3	26
40,297	41,999	41,207	18,336	11,874	153,713	3	3 May.
40,275	41,932	39,558	18,291	12,050	152,106	3	10
40,359	41,937	39,080	18,142	11,841	151,359	3	17
40,492	42,007	37,802	18,147	12,126	150,574	3	24
40,354	42,012	41,997	18,153	11,829	154,345	3	31
40,402	41,978	38,065	18,054	11,895	150,394	3	7 June.
40,266	41,951	38,028	17,891	12,312	150,448	3	14
40,265	42,042	38,283	18,040	12,406	151,036	3	21
30,207	41,996	41,121	17,989	12,288	153,601	3	28
40,078	41,796	42,251	18,313	12,612	155,050	3	5 July
39,765	41,528	44,177	18,261	11,836	155,567	3	12
39,707	41,438	43,460	17,979	12,315	154,899	3	19
39,696	41,482	43,320	17,741	12,152	154,391	3	26
39,535	41,430	45,164	17,782	11,939	155,850	3	2 Aug.
39,534	41,420	42,451	17,693	12,342	153,440	3	9
39,465	41,367	41,500	17,667	12,380	152,379	3	16
39,414	41,444	41,197	17,631	11,978	151,664	3	23
39,203	41,361	43,304	17,573	12,081	153,522	3	30
39,188	41,318	37,922	17,757	12,188	148,373	3	6 Sept
39,084	41,139	38,342	17,651	11,658	147,874	3	13
38,988	41,176	37,998	17,705	12,382	148,249	3	20
39,036	41,112	40,151	17,629	11,849	149,777	3	27
38,962	41,010	39,142	17,874	12,540	149,528	3	4 Oct.
38,828	40,808	40,135	17,767	11,453	148,991	3	11
38,814	40,794	42,284	17,933	11,389	151,214	3	18
38,652	40,703	40,886	18,008	11,816	150,065	3	25

NOTE ISSUES IN THE UNITED KINGDOM.

Monthly Averages.

In £'s sterling, 000 omitted, thus :—£1,000 = £1,000,000.

Four Weeks ending	England and Wales.				Scotland.	Ireland.	Total Note Circulation in the United Kingdom.
	Bank of England.	Private Banks.	Joint Stock Banks.	Total Note Circulation in England and Wales.	Total.	Total.	
	Present Fixed Issue, £15,750,000	*Present Fixed Issues, £3,525,162*	*Present Fixed Issues, £2,365,004*	*Present Fixed Issues, £21,640,166*	*Present Fixed Issues, £2,676,350*	*Present Fixed Issues, £6,354,494*	*Present Fixed Issues, £30,671,010*
	1	2	3	4	5	6	7
	£	£	£	£	£	£	£
1882.—Oct. 21	26,737	1,819	1,797	30,353	5,823	7,936	44,112
Nov. 18	26,382	1,818	1,805	30,005	6,360	8,483	44,848
Dec. 16	25,533	1,736	1,731	29,000	6,366	8,334	43,700
1883.—Jan. 13	25,863	1,720	1,690	29,273	5,864	7,982	43,119
Feb. 10	25,291	1,705	1,681	28,677	5,491	7,724	41,892
Mar. 10	24,869	1,623	1,639	28,131	5,371	7,391	40,893
April 7	25,115	1,663	1,698	28,476	5,396	7,413	41,285
May 5	25,835	1,740	1,796	29,371	5,594	7,432	42,397
June 2	25,691	1,727	1,765	29,183	6,530	7,160	42,873
June 30	25,352	1,631	1,654	28,637	5,994	6,746	41,377
July 28	26,256	1,630	1,629	29,515	5,779	6,530	41,824
Aug. 25	26,188	1,569	1,574	29,331	5,655	6,364	41,350
Sept. 22	25,564	1,539	1,559	28,662	5,770	6,323	40,755

COMPARISON OF THE POSITION OF THE FIXED ISSUES IN THE UNITED KINGDOM.

AUTHORISED ISSUES BY THE ACTS OF 1844 AND 1845.

ENGLAND—Bank of England ...			£14,000,000
207 Private Banks	£5,153,417		
72 Joint Stock Banks ...	3,478,230		
			8,631,647
			£22,631,647
SCOTLAND—12 Joint Stock Banks			3,087,209
IRELAND—6 do. do.			6,354,494
			£32,073,350

POSITION OF THE AUTHORISED ISSUES, SEPTEMBER 22ND, 1883.

ENGLAND—Bank of England	£14,000,000	
1855—Dec. 7th	475,000	
1861—July 10th	175,000	
1866—Feb. 21st	350,000	
1881—April 1st	750,000	
		15,750,000
103 Private Banks	3,525,162	
46 Joint Stock Banks ...	2,365,004	
		5,890,166
		£21,640,166
SCOTLAND—10 Joint Stock Banks		2,676,350
IRELAND—6 do. do.		6,354,494
		£30,671,010

During the year ended 22nd September, 1883, the following issues have lapsed :—

The Burlington and Driffield Bank ...	Authorised Issue	£12,745
The Tiverton Bank	" "	13,470
The Darlington District Joint Stock Bank	" "	26,134
	Total ...	£52,349

The following Table shows the gross amount of notes issued in the United Kingdom on the 22nd of September, 1883 :—

ENGLAND—Bank of England, upon security	15,750,000	
Upon gold bullion and coin	23,413,550	
		39,163,550*
103 Private Banks upon their own credit ...	1,564,846	
46 Joint Stock Banks do. ...	1,585,393	
		3,150,239
SCOTLAND—10 Joint Stock Banks upon their own credit ...	2,275,205†	
Upon gold and silver coin	3,422,620	
		5,697,825
IRELAND—6 Joint Stock Banks upon their own credit ...	4,432,880†	
Upon gold and silver coin	1,908,352	
		6,341,232
Total amount of notes issued in the United Kingdom ...		£54,352,846*

* Of the total amount of £39,163,550 issued by the Bank of England from the Issue Department, £13,798,230 was held by the Bank of England in the Banking Department. Deducting this from the total issue, it leaves £40,554,616 as the actual circulation of notes in the United Kingdom on the above date.

† It will be seen from these figures that the issues upon credit of certain Scotch and Irish Banks are below their limits authorised by the Acts of 1845.

LONDON BANKERS' CLEARING HOUSE.—WEE[illegible] RETURNS.

In £'s sterling, 000 omitted: thus, £1,000 = £1,000,000.

Weeks ending Wednesdays in each month.		1882-83. Total Amount Cleared in each week. 1	Stock Exchange Settling Days. 2	Days following Stock Exchange Settling Days. 3	Consols Settling Days. 4	4ths of the Month. 5	Corresponding Week of Previous Year. Total Amount Cleared in each week. 6	Stock Exchange Settling Days. 7
		£	£	£	£	£	£	£
1882.—Nov.	1	144,971	52,989	23,096	...	...	144,815	
	8	102,380	...	...	20,939	19,065	102,589	
	15	138,159	55,545	20,710	...	...	147,261	62,04[illegible]
	22	111,530	...	...	...	...	104,540	
	29	95,041	...	...	...	...	133,845	54,215
Dec.	6	145,329	49,769	*23,932	23,932	20,153	119,775	
	13	97,743	...	...	...	...	100,423	
	20	139,318	44,893	22,182	...	...	149,917	56,622
	27	73,523	...	...	...	...	85,666	
1883.—Jan.	3	143,920	43,635	23,751	...	...	159,719	58,342
	10	117,681	...	...	†21,146	21,146	119,391	
	17	136,912	43,580	22,047	...	...	150,436	52,7[illegible]
	24	100,884	...	...	...	...	99,637	
	31	132,105	45,063	18,094	...	...	164,307	66,51[illegible]
Feb.	7	108,685	...	...	21,029	19,187	104,396	
	14	132,490	49,908	20,087	...	...	153,347	70,84[illegible]
	21	115,958	...	...	...	...	111,565	
	28	137,856	50,621	*23,953	...	...	136,093	51,3[illegible]
Mar.	7	124,251	...	...	23,953	24,247	111,916	
	14	107,871	...	...	...	...	96,307	
	21	147,294	53,050	18,805	...	...	136,592	46,73[illegible]
	28	72,507	...	...	...	...	100,067	
April	4	151,249	48,089	21,820	†24,381	24,381	158,559	52,2[illegible]
	11	107,048	...	...	...	...	84,280	
	18	144,908	49,629	20,760	...	...	148,951	50,[illegible]
	25	98,078	...	...	...	...	98,347	
May	2	131,094	45,104	18,727	...	...	147,370	52,9[illegible]
	9	105,120	...	...	†22,425	22,425	102,589	
	16	125,810	49,490	19,905	...	...	136,147	48,[illegible]
	23	97,212	...	...	...	...	95,148	
	30	128,039	53,294	18,525	...	...	126,100	49,[illegible]
June	6	107,085	...	...	21,252	17,007	100,780	
	13	90,052	...	...	...	...	130,160	50,[illegible]
	20	133,202	47,236	20,876	...	...	109,026	
	27	85,153	...	...	...	...	104,948	
July	4	153,399	43,470	24,155	23,346	22,249	177,860	61,[illegible]
	11	104,223	...	...	...	...	106,565	
	18	132,735	45,150	19,026	...	...	135,427	45,[illegible]
	25	94,787	...	...	...	...	92,420	
Aug.	1	118,730	38,345	17,632	18,976	...	139,339	52,[illegible]
	8	91,949	...	...	...	18,826	89,933	
	15	119,534	42,372	16,806	...	...	129,018	46,[illegible]
	22	103,152	...	...	...	...	104,447	
	29	84,931	...	...	...	...	110,873	39,[illegible]
Sept.	5	117,925	33,439	17,704	18,475	15,794	105,024	
	12	82,020	...	...	...	...	119,154	44,[illegible]
	19	114,062	33,886	17,061	...	...	100,969	
	26	85,433	...	...	...	...	129,401	48,[illegible]
Oct.	3	144,735	42,451	20,374	...	...	117,876	
	10	102,741	...	...	†19,053	19,053	102,673	
	17	127,518	39,491	20,950	...	...	148,550	49,[illegible]
	24	86,282	...	...	...	...	91,388	
	31	120,580	38,998	18,759	...	...	144,971	[illegible]

	Year ending [illegible] Dec., 188[illegible].	Year [illegible] 27th [illegible]
Average weekly amount (based on the foregoing figures)	£121,826,000	£119,[illegible]
Daily average on Stock Exchange Settling Days (based on the foregoing figures) ...	57,594,000	81,[illegible]

* Also Consols Settling Days. † Also 4ths of the month.

TABLE OF CONTENTS OF THE JOURNAL

From the commencement to the end of 1883.

VOL. I.

PART VI.—*March*, 1880.

"Bank Notes," by JOHN BIDDULPH MARTIN, Esq., M.A., F.S.S.
Discussion on Section 12 of the "Crossed Cheques Act, 1876," with correspondence thereon, and the case of Matthiessen *v*. The London and County Bank.
Questions on Points of Practical Interest.

PART VII.—*April*, 1880.

"Bankruptcy Reform," by T. R. R. DAVISON, Esq.
Discussion on "Bankruptcy Reform."
Questions on Points of Practical Interest.

PART VIII.—*May*, 1880.

"Negotiable Securities," by H. D. JENCKEN, Esq., Barrister-at-Law
Result of Competition for Prize Essay.
Questions on Points of Practical Interest.
Foreign Attachment—The London and Joint-Stock Bank *v*. The Mayor and Corporation of London.
Summary Procedure on Bills of Exchange Act, 1855.
The London and South-Western Bank, Limited, *v*. Wentworth.
Regulations for the conduct of Examinations.

PART IX.—*June*, 1880.

"Foreign Exchanges," by ERNEST SEYD, Esq., F.S.S.
Questions on Points of Practical Interest.
Legal Decisions affecting Bills of Exchange.

PART X.—*July*, 1880.

Report of the Council and of the Proceedings at the Second Annual General Meeting.
"Bankruptcy Reform," by JOHN SMITH, Esq.
Memorandum on the Bankruptcy Bills now before Parliament.
Questions on Points of Practical Interest.
Legal Decisions affecting Bankers.

PART XI.—*August*, 1880.

Prize Essay on "The Progress and Development of Banking in the United Kingdom from the year 1800 to the present time," by Mr. ROBERT W. BARNETT.
Questions on Points of Practical Interest.
Result of the May Examinations.

PART XII.—*October*, 1880.

Questions on Points of Practical Interest.
Report of the Select Committee of the House of Commons on Bankruptcy Law.
Report of the Comptroller in Bankruptcy.

VOL. II.

PART III.—*March* 1881.

"The Codification of Mercantile Law, with especial reference to the Law of Negotiable Instruments," by M. D. CHALMERS, Esq., M.A., Barrister-at-Law.

Discussion on Mr. CHALMER's Paper.

Summary of the steps taken by the Association for the Reform and Codification of the Laws of Nations in the matter of assimilating the Law of Bills of Exchange.

Questions on Points of Practical Interest.

Bankruptcy Law Amendment.

Resolutions of the Associated Chambers of Commerce.

The Government Bankruptcy Bill.

Lord Cairns' Bankruptcy Bill.

Postal Orders.

Banking Laws Amendment Bill.

Bills of Sale Amendment Bill.

Scotch Banking Reform.

Legal Decisions affecting Bankers.

Supplement containing List of Fellows, Associates, and Ordinary Members, &c.

PART IV.—*April*, 1881.

The Clearing System applied to Trade and Distribution, by ARTHUR ELLIS, Esq.

Discussion on Mr. ELLIS's Paper.

Postal Orders.

Memorial to the Postmaster General.

The Monetary Conference.

Questions on Points of Practical Interest.

Legal Decisions affecting Bankers.

PART V.—*May*, 1881.

Notes on "A Bill to Amend the Law Relating to Bankruptcy," (introduced into the House of Commons by Her Majesty's Government, 8th April, 1881), by JOHN SMITH, Esq.

Discussion on Mr. SMITH's Paper.

Questions on points of Practical Interest.

Per Pro endorsements to Cheques.

The Scotch Banks' Bill.

Legal Decisions affecting Bankers.

PART VI.—*June*, 1881.

"On the Modern Science of Economics," by HENRY DUNNING MACLEOD, Esq., M.A.

Discussion on Mr. MACLEOD's Paper.

Questions on Points of Practical Interest.

Vol. III.

Part I.—*January*, 1882.

"Money and Barter," by Rowland Hamilton, Esq.
Discussion on Mr. Hamilton's Paper.
Bank Reserves.
The Silver Question in the United States.
Questions on Points of Practical Interest.
Legal Decisions affecting Bankers.
Weekly Returns.

Part II.—*February*, 1882.

"L. S. D., or the origin of Pounds, Shillings and Pence," by John Evans, D.C.L., LL.D., F.R.S., &c.
Discussion on Mr. Evans' Paper.
"The London Bankers' Clearing House," by Robert W. Barnett.
The Position of the Government of the Netherlands on the Silver Question.
Questions on Points of Practical Interest.
Legal Decisions affecting Bankers.
Weekly Retnrns.

Part III.—*March*, 1882.

"On the History and Development of Banking in Scotland," by James A. Wenley.
Discussion on Mr. Wenley's Paper.
The German Bank Act of 1875 and the Issue of Bank Notes.
Questions on Points of Practical Interest.
Notes on some recent Papers.
Weekly Returns.

Part IV.—*April*, 1882.

Notes on the Bill of Exchange Bill, 1881, by M. D. Chalmers, M.A., Barrister-at-Law.
Discussion on Bills of Exchange.
The International Monetary Standard Association.
The Manchester Bankers' Clearing House.
Questions on Points of Practical Interest.
Legal Decisions affecting Bankers.
Weekly Returns.

Part V.—*May*, 1882.

"India—The Purchasing Power of the Rupee relative to Labour, Produce, &c., in various parts of the Empire—The Capacity of the Empire to absorb New Capital, and the direction in which New

The Clearing System in the United States.
Questions on Points of Practical Interest.
Legal Decisions affecting Bankers.
Weekly Returns and Annual Statistics.

Vol. IV.

Part I.—*January*, 1883.

"The History and Development of Banking in Australasia," by Edwin Brett.
Discussion on Mr. Brett's Paper.
American Bankers' Association.
Mr. Giffen's Inaugural Address at the Statistical Society.
Questions on Points of Practical Interest.
Legal Decisions affecting Bankers.
Weekly Returns.

Part II.—*February*, 1883.

"The Circulation of Notes under £5 by William Fowler, Esq., M.P.
Discussion on Mr. Fowler's Paper.
Bankruptcy Reform.
"Australasian Banking," by Edwin Brett.
Annual Report of the Comptroller of the Currency, U.S.A.
Notes on some recent Papers.
Questions on Points of Practical Interest.
Legal Decisions affecting Bankers.
Weekly Returns, &c.

Part III.—*March*, 1883.

"The Theory and Practice of Banking in Scotland," by J. Simpson Fleming, Esq., Pres. Inst. Bankers, Scotland.
Discussion on Mr. Fleming's Paper.
Bankruptcy Reform.
The Appreciation of Gold.
The World's Production of Gold and Silver.
The National Loans of U.S.A.
Questions on Points of Practical Interest.
Weekly Returns, &c.

Part IV.—*March* (*No.* 2), 1883.

"The Deficiency of Weight in our Gold Coinage, with a Proposal for its Reform." by R. H. Inglis Palgrave, Esq., F.R.S.

The National Debt Act, 1883.
Legal Decisions affecting Bankers.
Questions on Points of Practical Interest.
Weekly Returns.

PART X.—*December*, 1883.

"The Bankruptcy Act, 1883," by M. D. CHALMERS, M.A., Barrister-at-Law.
Discussion on Mr. CHALMERS' Paper.
£2 10s. per cent. Annuities.
The Clearing System in Germany.
Notes on recent Additions to the Library.
Obituary Notice.
Recent Pamphlets.
Weekly Returns and Annual Statistics.

[*Corrected to* 1*st January*, 1884.]

THE

Institute of Bankers

(Founded 1879),

11 & 12, CLEMENT'S LANE, LONDON, E.C.

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Constitution of the Institute of Bankers.

1.—The name of the Institute is "THE INSTITUTE OF BANKERS."

2.—The Institute is an Association of gentlemen connected with the various branches of Banking. Its primary object is to facilitate the consideration and discussion of matters of interest to the profession, and, where advisable, to take measures to further the decisions arrived at; and its secondary object is to afford opportunities for the acquisition of a knowledge of the theory of Banking.

3.—The Institute shall afford facilities for the reading, discussion, and publication of approved papers, by Members and others; shall, when desirable, recognize and arrange for the delivery of Lectures on Banking, Mercantile Law, Political Economy, and other kindred subjects; shall issue Certificates to those who may pass Examinations approved of from time to time by the Council of the Institute; and shall found a Library, consisting of Works on Banking, Commerce, Finance, and Political Economy.

4.—If the Council shall at any time, or from time to time, think it desirable to acquire for the purposes of the Institute the whole or part of any building or buildings, they shall have power to purchase or lease the same upon such terms as they shall think fit, and they shall also have power from time to time to sell or surrender any premises which, in their judgment, are no longer required for such objects.

5.—The Members of the Institute are Fellows, Associates, and Ordinary Members:—

FELLOWS shall be elected by the Council. Each applicant for admission as a Fellow shall be nominated by two or more Fellows, who shall certify in writing that the candidate is a fit person to be elected a Fellow of the Institute of Bankers.

The Council shall have power to elect as Honorary Fellows men of distinction in the practice or literature of Banking, Mercantile Law, Political Economy, or other kindred subjects.

ASSOCIATES shall in future be elected by the Council from those who have not been less than ten years in the service of any Bank; or from those who have passed the examination instituted or recognised by the Council; or from those who, being on the staff of a Bank, are Graduates of any University. Each applicant for admission as an Associate shall in every case be

proposed by two Fellows of the Institute, who shall certify in writing that the Candidate is a fit person to be elected an Associate of the Institute of Bankers.

ORDINARY MEMBERS.—Clerks on the staff of any Banking Establishment, and who shall be approved by the Council.

6.—Associates and Ordinary Members, as well as Fellows, shall have the right to be present at the various meetings of the Institute; but in any case when any election is to be made, or the opinion or decision of the Institute is to be taken on any subject or question by vote, at any Meeting, ordinary or special, the Fellows and Associates of the Institute shall, except where otherwise specially provided by the Constitution, alone be entitled to vote.

7.—The control of the Institute shall be vested in the President, Vice-Presidents, Treasurer, and Council for the time being.

8.—The President, Vice-Presidents, and Treasurer shall *ex officio* be Members of the Council. They shall be elected each year, at the Annual General Meeting, from among the Fellows of the Institute. Each shall be eligible for re-election, and shall hold office until his successor is appointed.

The Council shall be not more than twenty-four in number, exclusive of the President, Vice-Presidents, and Treasurer. At each Annual General Meeting six Members of the Council shall retire from office. The order of retirement shall be determined by the Council. Each shall be eligible for re-election. At each Annual General Meeting a sufficient number of Members of Council shall be elected from among the Fellows to supply the places of those retiring.

The notice convening the Annual General Meeting shall state the names of those recommended by the Council for election as President, Vice-Presidents, Treasurer, and as Members of Council, to supply the places of those retiring.

9.—On any extraordinary vacancy of the office of the President, or any Officer other than Trustee of the Institute, or in the Council, a meeting of the Council shall be summoned with as little delay as possible, and shall choose a new President, or other Officer of the Institute, or Member of the Council, as the case may be, to hold office until the next Annual General Meeting.

10.—AUDITORS.—At the Annual General Meeting in each year two Fellows of the Institute, not being Members of the Council, shall be elected to act as Auditors for the ensuing year.

The Auditors shall hold office until the next Annual General Meeting, and shall be eligible for re-election.

11.—TRUSTEES.—The property of the Institute shall be vested in three Trustees, and a Resolution of the Council shall, in all cases, be a sufficient authority and protection to the Trustees for and in respect ·ny conveyance, transfer, payment, or other act thereby directed.

The present Trustees are Sir John Lubbock, Bart., M.P., Richard B. Martin, Esq., M.P., and George Rae, Esq. Each Trustee, whether already appointed or to be appointed, shall hold office until his death, resignation, or removal.

Any Trustee may retire from office on giving a written notice, addressed to the Council, of his desire so to do. Any Trustee may be removed at a Special General Meeting if it shall be determined at the Meeting that sufficient cause exists for such removal, and any vacancy in the office of Trustees may be supplied from among the Fellows at the same or any other Special General Meeting.

12.—The Council shall appoint two or more of their number to be Honorary Secretaries, and engage such paid Officers as they from time to time deem necessary.

13.—The Council shall meet once a month, or oftener, as may be requisite. Five Members to be a quorum.

14.—The Council may, from time to time, issue a Journal, or such other publication as they may think desirable, and for this purpose appoint one of their Members to be Honorary Editor, and engage such paid assistance, and apply in paying the expenses of the Journal such part of the funds of the Institute, as in their judgment may be necessary.

15.—The Subscriptions to the Institute shall be Two Guineas for Fellows, One Guinea for Associates, and Ten Shillings and Sixpence for Ordinary Members, payable annually, in advance, on the 1st of January in each year, which may be compounded for by payment, at any one time, of Twenty Guineas for Fellows, and Ten Guineas for Associates. One year's Subscription shall be payable on admission, unless the date of admission be later than the 30th of June, when only a half-year's Subscription shall be so payable.

16.—Any Fellow, Associate, or Ordinary Member who shall not have paid his Subscription before the 1st of March in any year may be declared a defaulter by the Council, whereupon he shall cease to be a Member of the Institute.

17.—Any Fellow, Associate, or Ordinary Member may resign, on giving notice of his intention, in writing, to the Council; but no one can withdraw his name from the books of the Institute unless his Subscription shall have been paid for the year in which the notice of his resignation is received.

18.—A majority of not less than three-fourths of the Members of the Council present at a meeting, special notice having been given for that purpose, may remove from the books of the Institute the name of any Fellow, Associate, or Ordinary Member, who, in their judgment, shall have been guilty of any act derogatory to his character and reputation, and calculated to bring discredit on the Institute, and he shall thereupon cease to be a Member of the Institute.

19.—The Ordinary General Meetings of the Institute shall be monthly, or oftener during the Session, which shall be from October to May, both inclusive, on such days and at such hours as the Council shall declare. The Council may, when it appears to them necessary, and shall on the written requisition of not less than fifty Members of the Institute, of whom not less than fifteen shall be Fellows, call a Special General Meeting of the Institute.

20.—A General Meeting of Fellows, Associates, and Ordinary Members shall be held once in every year, at such time as the Council may determine, to receive the Report of the Council and the Treasurer's Accounts, to elect the Officers of the Institute, and to decide questions concerning its Rules and Management.

21.—All elections, whether by the Council or otherwise, shall be by ballot, and, except where the Constitution shall otherwise provide, all elections and all questions shall be determined by a majority of votes.

22.—A majority of the Fellows, Associates, and Ordinary Members present at a Special General Meeting shall have power to make, from time to time, any alterations in the Constitution not inconsistent with its main object, but no alteration shall be made without notice of the proposed alteration having been given in the notice convening the meeting, nor until the minutes of such meeting have been confirmed at a subsequent General Meeting, Ordinary or Special, at which subsequent meeting Ordinary Members, as well as Fellows and Associates, shall have the right to vote.

23.—All notices of General Meetings shall be either delivered at, or sent by post to, the last known place of business of each Member of the Institute ten days at least before the day of the meeting. Every notice of a Special General Meeting shall specify the object with which such meeting is convened.

24.—The Council may, from time to time, make such Bye-laws, not inconsistent with this Constitution, as in their judgment may be necessary or desirable in the interests of the Institute.

25.—All persons either admitted as Fellows, Associates, or Ordinary Members shall, upon their admission, sign a declaration (in the form annexed) to observe the Rules, Regulations, and Bye-laws of the Institute for the time being in force.

DECLARATION OF MEMBERSHIP.

Christian names and Surname in full, clearly written. I, ____________________________

____

do hereby declare that I will endeavour to further the good of the Institute of Bankers, and the ends for which the same has been founded, and that I will keep and fulfil the Rules and Orders of the Institute, provided that whensoever I shall make known in writing, under my hand, to the Council for the time being, that I desire to withdraw from the Institute, I shall be free thenceforward from this obligation.

____

____

Fellow,
Associate,
or
Ordinary Member.

Dated this ______________________________

day of ____________________ 18

Members are requested to note that the above form of declaration (a copy of which is forwarded to each Fellow, Associate, or Ordinary Member, with the notice of his election) should be filled up and transmitted to the Secretary, together with amount of Annual Subscription due on election, with as little delay as possible.

Examination Scheme.

THE following are the forms of the Certificate and Memorandum of Passing issued to Members who have passed the Advanced or Preliminary Examination of the Institute, as the case may be :—

CERTIFICATE OF THE INSTITUTE.

(Pursuant to Clause III. of the Constitution thereof.)

WE, the President of the Institute of Bankers, and the Chairman of the Council for the time being, do hereby certify that

____

now* ____________ of the Institute, has duly passed the Examination for the Certificate of the Institute, held on the ____________, in the various subjects selected by the Council, namely :—

Arithmetic and Elementary Algebra.

Book-keeping.	Commercial Law.
Political Economy.	Practical Banking.

____________________ *President.*

____________________ } *Chairman of the Council.*

Dated this day of ____________ 18 .

MEMORANDUM OF PASSING.

THIS is to certify that ______________________________

now* ____________ of the Institute of Bankers, has duly passed the Preliminary Examination for the Certificate of the Institute, held on the ____________, in the various subjects selected by the Council, namely :—

Arithmetic and Elementary Algebra.

Book-keeping.	Commercial Law.
Political Economy.	Practical Banking.

By Order of the Council,

____________________ *Secretary.*

Dated this ________ day of ____________ 18 .

* An Ordinary Member or an Associate (as the case may be).

LIST OF FELLOWS.†

Abell, George Edmund, Worcester City and County Banking Co., Limited, Worcester
Acland, Henry Dyke, Messrs. Eaton Cayley and Co., Stamford
Aitchison, William John, Union Bank of London, 2, Princes Street, E.C.
Alexander, William, Messrs. Alexanders and Co., Ipswich
Allen, Frederic Howard, Manchester Joint Stock Bank, Limited, 79, King Street, Manchester
Allen, William John Campbell, Ulster Banking Co., Belfast
*Alvord, William, 564, Folsom Street, San Francisco
Andrews, Michael, Bank of New Zealand, Nelson, N.Z.
Antrobus, Hugh Lindsay, Messrs. Coutts and Co., 59, Strand, W.C.
Archer. Francis Bradley, Union Bank of London, Chancery Lane, W.C.
Ashby, John, Messrs. Thos. Ashby & Co., Staines
Atherden, Thomas Henry, Messrs. Rocke, Eyton & Co., The Old Bank, Ludlow
Atkinson, Henry John, City Bank, Limited, Threadneedle Street, E.C.

Baguley, John Edward, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Baker, Gerald Thomas, Union Bank of Australia, Limited, Wagga Wagga, N.S.W.
Banks, Richard William, Messrs. Davies, Banks & Co., Kington, Herefordshire
Barber, James Henry, Sheffield Banking Co., Limited, Sheffield
Barbour, David M., United Service Club, Calcutta, India
Barclay, Hugh Gurney, Messrs. Gurneys, Birkbeck & Co., Norwich
Barclay, Joseph Gurney, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Barclay, Robert, Messrs. Barclay & Co., 54, Lombard Street, E.C.
*Barham, Francis Foster, Bank of England, Birmingham
Barker, Hilton Cassanet, Messrs. G. Barker & Co., 39, Mark Lane, E.C.
Barker, William, Messrs. G. Barker & Co., 39, Mark Lane, E.C.
Barnard, George Edward, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E.C.
Barnard, Herbert, Messrs. Dimsdale & Co., 50, Cornhill, E.C.
Barnes, James Morshead, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Barney, Thomas, Birmingham, Dudley and District Banking Co., Limited, Birmingham
Bartlett, John Edward, Messrs. Cobb, Bartlett & Co., Aylesbury
Bate, Osborne Hambrook, Standard Bank of South Africa, Limited. Richmond, Cape of Good Hope, South Africa
Baynes, Christopher William, Bank of England, 1, Burlington Gardens, W.
Bean, T. S., Alliance Bank of Simla, Limited, Simla, Punjaub, India
Beattie, Joseph, Birmingham Joint Stock Bank, Limited, Birmingham
Bedat, Peter Du, Bank of Ireland, Dublin
Beresford, Charles Edward, Delhi and London Bank, Limited, Mussoorie
Bevan, Francis Augustus, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Bevan, Robert Cooper Lee, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Bevan, Wilfrid Arthur, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Billinghurst, Henry Farncombe, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Birch, John William, 8, St. Helen's Place, E.C.
Bithell, Dr. Richard, B.Sc., Ph.D., Messrs. N. M. Rothschild & Sons, New Court, St. Swithin's Lane
Bland, Francis Maltby, Messrs. Gurneys & Co., Bury St. Edmunds
Boissevain, Gideon Maria, 4, Fesselschadestraal, Amsterdam
Bolding, George Frederick, Birmingham and Midland Bank, Limited, Birmingham
Bone, John William, B.A., Consolidated Bank, 52, Threadneedle Street, E.C.
Bosanquet, Bernard Tindal, Messrs. Bosanquet, Salt & Co., 73, Lombard Street, E.C.

† No Honorary Fellows have, as yet, been elected.

* Life Fellow.

Braithwaite, Basil, Messrs. Brown, Janson & Co., 32, Abchurch Lane, E.C.
Brett, Edwin, Fairfield, Shrewsbury Road, Stonebridge, Willesden, N.W.
Brooks, M.P., William Cunliffe, Messrs. Brooks & Co., 81, Lombard Street, E.C.
Brown, Albert, Messrs. Berwick & Co., Old Bank, Malvern
Brown, Archibald, Cumberland Union Bank, Carlisle
Brown, Edwin Atkin, Burton, Uttoxeter and Ashbourn Union Bank, Limited, Burton-on-Trent
Brown, William Luke, Craven Bank, Limited, Keighley
Brymer, Walter Spencer, Messrs. Tugwell and Co., Old Bank, Bath.
Burdett, George Deane, London and Provincial Bank, Limited, Cowbridge, Glamorganshire
Burdett, Henry Charles, Share and Loan Department, Stock Exchange, E.C.
Burkitt, Edwin Sawtell, Bank of Adelaide, Gawler, South Australia
Burnett, George Henry, Hong Kong and Shanghai Banking Corporation, 31, Lombard Street, E.C.
Butt, John Henry, Australian Joint Stock Bank, 18, King William Street, E.C.
Butt, John Marten, Bank of New Zealand, Levuka, Fiji Islands
Buttar, Charles, London and Westminster Bank, 4, Stratford Place, W.
Buxton, Alfred Fowell, Messrs. Prescott, Cave & Co., 62, Threadneedle Street, E.C.
Buxton, Geoffrey Fowell, Messrs. Gurney & Co., Norwich
Buxton, Samuel Gurney, Messrs. Gurneys, Birkbeck & Co., Norwich

Cable, John Shepherd, Stuckey's Banking Company, Yeovil
Caffin, Walter James, London and County Banking Company, Limited, Blackheath, S.E.
Calthrop, Harry Clyde, Messrs. Child and Co., 1, Fleet Street, E.C.
Carnegy, Alexander St. Clair Bower, York Union Banking Company, York
Chalmers, Frederick, Messrs. Brown, Shipley & Co., Founder's Court, Lothbury, E.C.
Chambers, Charles, Provincial Bank of Ireland, Throgmorton Avenue, E.C.
Chevassus, Henry, Crédit Lyonnais, 40, Lombard Street, E.C.
Christie, John, Australian Joint Stock Bank, 18, King William Street, E.C.
Christie, John Alexander, Birmingham and Midland Bank, Limited, Birmingham
Chubb, Hammond, B.A., F.S.S., Bank of England, E.C.
Churchward, John Steed, National Discount Co., Limited, 35, Cornhill, E.C.
Clark, Alexander, M.A., Union Bank of London, 2, Princes Street, E.C.
Clarke, Arthur Edward, F.S.S., Messrs. Gurney & Co., Wisbech
Clemow, William Henry, The North Western Bank, Limited, Dale Street, Liverpool
Close, Samuel Holt, Messrs. Ball & Co., Bankers, Henry Street, Dublin
Cobb, Anthony Blackburne, Messrs. Cobb & Co., Margate
Cobbold, Thomas Clement, M.P., Messrs. Bacon, Cobbold & Co., Ipswich
Cochrane, William, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Collier, John Cates, Messrs. Mellersh & Co., Godalming
Collins, Charles MacCarthy, Union Bank of Australia, Melbourne, Victoria
Collins, Joseph Tenison, National Bank, Ballinasloe, Ireland
Cork, Nathaniel, F.R.G.S., F.S.S., Commercial Banking Company of Sydney, 39, Lombard Street, E.C.
Cottew, William Stokes, London and Provincial Bank, Limited, 6, Commerce Terrace, Tottenham
Cotton, William, F.S.A., National Provincial Bank of England, Limited, Exeter
Courtney, Edward Monlas, Bank of England, E.C.
Cousins, John James, Exchange and Discount Bank, Limited, Leeds
Cowie, George, Colonial Bank of New Zealand, Dunedin, N.Z.
Cox, Thomas, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Cragg, John, Clydesdale Banking Company, 30, Lombard Street, E.C.
Craig, William Alexander, Hibernian Bank, Naas, Ireland.
Cross, John Woodrow, London and Provincial Bank, Limited, 7, Bank Buildings, Lothbury, E.C.
Crosthwaite, Joseph, London and County Banking Co., Limited, 3, Victoria Street, Westminster, S.W.
Cumming, Robert Charles, Manchester and Liverpool District Bank, Stafford.

Davidson, James Madgwick, Bank of New South Wales, South Brisbane, Queensland

Davidson, Robert, Bank of Scotland, Lothbury, E.C.
Davidson, William, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
Davis, Charles Henry, London and County Banking Co., Limited, Broadway, Stratford, E.
Davison, Thomas Rammohun Roy, The Swansea Bank, Limited, Swansea
Dawson, William, London and County Banking Co., Limited. Broadway, Deptford
Debenham, Samuel, Union Bank of London, 2, Princes Street, E.C.
Denison, William Beckett, Messrs. Beckett & Co., Leeds
Devenish. Matthew Henry Witty, Wilts and Dorset Banking Co., Salisbury
Devlin, Michael, National Bank, Wexford
Dibbs, Thomas Allwright, Commercial Banking Co., of Sydney, Sydney, N.S.W.
Dick, James. North Eastern Banking Co., Limited, Newcastle-on-Tyne
Dickson. James, National Bank of Liverpool, Limited, Bootle, Liverpool
Dickson, William Allen, Provincial Bank of Ireland, Throgmorton Avenue, E.C.
Dimsdale, John, Messrs. Dimsdale & Co., 50, Cornhill, E.C.
Dimsdale, Joseph Cockfield, Messrs. Dimsdale & Co., 50, Cornhill, E.C.
Dixon-Hartland, M.P., Frederick Dixon, Messrs. Lacy, Hartland & Co., 60, West Smithfield, E.C.
Drake, William Hedley, Colonial Bank of New Zealand, Napier, N.Z.
Druitt, Thomas, Union Bank of London, Charing Cross, S.W.
Drury, Edward Robert, Queensland National Bank, Brisbane, Queensland.
Dun, John, Parr's Banking Co., Limited, Warrington
Duval, Henri, Comptoir d'Escompte de Paris, 52, Threadneedle Street, E.C.

Edmonds, Orlando, Stamford, Spalding, and Boston Banking Co., Limited, Stamford
Edwards, John Blackwell, Bank of England, E.C.
Edwards, John Thomas, London and County Banking Co., Limited, Greenwich, S.E.
Ely, Henry, Provincial Bank of Ireland, Throgmorton Avenue, E.C.
Every, Richard, Wilts and Dorset Banking Co., Salisbury
Eyre, Edmund Phipps, Bank of England, Liverpool

Fairley, Francis Brard, Bank of England, Newcastle-on-Tyne
Falk, Ferdinand, German Bank of London, Limited, Bartholomew House, Bartholomew Lane, E.C.
Faure, Johannes Pieter, South African Bank, Cape Town, South Africa
Faulds, James Anderson, Home Service Club, 8, Park Place, S.W.
Fennings, Richard Saunders, City Bank, Limited, 7, Lowndes Terrace, Knightsbridge
Fesser, Francis, Mercantile International Bank, Limited, 5, Copthall Buildings, Throgmorton, Street, E.C.
Finney, John Douglass, Bank of England, Law Courts, W C.
Fishwick, Frankland, London and County Banking Co., Limited, 18, Newington Butts, S.E.
Fishwick, Heathcote Booth, London and County Bank, Margate
Fleming, James Simpson, Royal Bank of Scotland, Edinburgh
Fowler, Robert Nicholas. M.P., F.S.S., Messrs. Dimsdale & Co., 50, Cornhill, E.C.
Fowler, William, M.P., Forest House, Leytonstone, E.C.
Francis, Frederick, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Francis, Harry Bramble, Lloyd's Banking Co., Limited, Coventry
Fraser, William Murray, Manchester Joint Stock Bank, Limited, 79, King Street, Manchester

Gage, Franklin Howard, Messrs. Fred. Huth & Co., 12, Tokenhouse Yard, E.C.
Gairdner, Charles, Union Bank of Scotland, Glasgow
Garland, Charles Henry, London and County Banking Co., Limited, 324, High Holborn, W.C.
George, David, Bank of New South Wales, 64, Old Broad Street, E.C.
Gibbs, John, Sheffield & Rotherham Joint Stock Banking Co., Limited, Rotherham
Gillett, Alfred, Messrs. Gillett Brothers & Co., 72, Lombard Street, E.C.
Goody, Alfred Cawston, York City and County Bank, Harrogate
Gordon, James, Bradford Old Bank, Limited, Bradford
Gosling, Francis, Messrs. Goslings & Sharpe, 19, Fleet Street, E.C.

Gosling, Herbert, Messrs. Goslings & Sharpe, 19, Fleet Street, E.C.
Goujon, Henry, London and County Banking Co., Limited, Farnham
Gow, Charles, London Joint Stock Bank, 5, Princes Street, E.C.
Gray, Benjamin Gerrish, Merchant Banking Co. of London, Limited, 112, Cannon Street, E.C.
Gray, Harry, Bank of Bengal, Calcutta, India.
Gray, Henry Rashleigh, London & County Banking Co., Limited, Hove, Brighton
Gray, Nathan Parr, Manchester and County Bank, Limited, Burnley
Gray, Samuel Octavus, Bank of England, E.C.
Green, Charles, Union Bank of London, Charing Cross, S.W.
Greenlaw, William, Colonial Bank of Australasia, Elizabeth Street, Melbourne, Victoria
Greig, James B., North of Scotland Bank, Laurence Kirk, N.B.
Greig, John Kinloch, York City & County Bank, Leeds
Grugeon, James, London and County Banking Co., Limited, Windsor
Gurney, John, Sprowston Hall, Norwich
Gwyther, John Howard, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.

*Hale, Charles George, 26, Austin Friars, E.C.
Hall, John Herbert Alderson, Messrs. Williams & Co., Chester
Halliday, James, Manchester & Liverpool District Banking Co., Limited, Manchester
Hankey, Thomson, F.R.G.S., &c., Bank of England, E.C.
Hankin, Alfred, London & County Banking Co., Limited, Bishop's Stortford
Hansard, Luke, F.S.S., Messrs. Martin & Co., 68, Lombard Street, E.C.
Harris, John Thomas, Burton, Uttoxeter, and Ashbourn Union Bank, Limited, Burton-on-Trent
Harris, Theodore, Messrs. Bassett, Son & Harris, Leighton Buzzard
Harrison, Henry James, Adelphi Bank, Limited, South John Street, Liverpool
Harrison, Samuel Henry, Birmingham, Dudley and District Banking Co., Limited, Birmingham
Harvey, A. S., Messrs. Glyn & Co., 67, Lombard Street, E.C.
Hastings, George Woodyat, M.P., Barnard's Green House, Malvern
Heilgers, Fred. William, Chartered Bank of India, Australia and China, Hatton Court, E C.
Hemmerde, George Richard, London and Westminster Bank, Limited, 1, St. James's Square, S.W.
Henderson, William Gavin, Liverpool Union Bank, Liverpool
Henry, William Daniel, Alliance Bank of Simla, Limited, Simla, Punjaub, India
Henty, Arthur, Messrs. Henty & Co., Worthing
Hewlings, Stuart, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Hill, Henry Meakins, Messrs. Charles Hill & Son, 17, West Smithfield, E.C.
Hill, Henry Woodruff, London Chartered Bank of Australia, Bourke, N.S.W.
Hill, Herbert, Messrs. Charles Hill & Son, 17, West Smithfield, E.C.
Hill, John, Messrs. Charles Hill & Son, 17, West Smithfield, E.C.
Hoare, Edward Brodie, Messrs. Barnetts, Hoare & Co., 62, Lombard Street, E.C.
Hoare, Hamilton Noel, Messrs. Hoares, 37, Fleet Street, E.C.
Holden, Edward Hopkinson, Birmingham and Midland Bank, New Street, Birmingham.
Holloway, John, Bank of New Zealand, Nelson, New Zealand
Holt, Vesey George Mackenzie, Messrs. Holt & Co., 17, Whitehall, Place, S.W.
Homan, Ebenezer, Bank of South Australia, 54, Old Broad Street, E.C.
Hooley, William, Manchester and County Bank, Limited, Stockport
Hooper, Frederick John, The Capital and Counties Bank, Limited, Jersey
Hopkinson, Amelius Arthur, Messrs. Charles Hopkinson & Sons, 3, Regent Street, St. James's, S.W.
Hopkinson, George Henry, Messrs. Charles Hopkinson & Sons, 3, Regent Street, St. James's, S.W.
Howard, Frederick, Bank of England, Bristol
Howard, William, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Hunter, Thomas William, Imperial Bank, Limited, 6, Lothbury, E.C.

Imray, John, Halifax and Huddersfield Union Banking Co., Halifax

* Life Fellow.

Ingpen, Robert Frederick, Union Bank of London, Chancery Lane, W.C.

Jackson, William, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E.C.
Jay, Stephen James Bromley, Union Bank of London, 2, Princes Street, E.C.
Johnston, William, British Linen Co., Limited, 41, Lombard Street, E.C.
Jones, Henry Watson, Messrs. Williams & Co., Chester

Karran, John James, Isle of Man Banking Co., Limited, Douglas, Isle of Man
Kennedy. Alfred George, City Bank, Limited, Threadneedle Street, E.C.
***Ker**, A. M., Alliance Bank of Simla, Lahore, India
King, Henry Seymour, Messrs. Henry S. King & Co., 65, Cornhill, E.C.
Kirby, Horace Woodburn, 4, Coleman Street, E.C.

Lancaster, David, Rohilkund & Kumaon Bank, Naine Tal, India
Lane, Joseph, Wilts and Dorset Banking Co., Chippenham
Laing, Archibald, Derby Commercial Bank, Limited, Derby
Larkworthy, Falconer, Bank of New Zealand, 1, Queen Victoria Street, E.C.
Larnach, Donald, Bank of New South Wales, 64, Old Broad Street, E.C.
Lawford. James, The Leicestershire Banking Co., Limited, Leicester
Lewis, Caleb, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Lewis, John Henry, London and County Banking Co., Limited, 12, King Street West, Hammersmith
Lighton, William, Provincial Bank of Ireland, Limited, Dublin
Lingard, James, Crompton & Evans' Union Bank, Limited, Derby
Lloyd, Howard, Lloyd's Banking Co., Limited, Birmingham
Lloyd, Sampson Samuel, 2, Cornwall Gardens, S.W.
Lochrane, Ferdinand, Ulster Banking Company, Dublin
Logan, William George, Messrs. Coutts & Co., 59, Strand, W.C.
Longmuir, Thomas, Delhi & London Bank, Limited, Calcutta
Lubbock, Sir John, Bart., M.P., F.R.S., D.C.L., LL.D., Messrs. Robarts, Lubbock & Co., 15, Lombard Street, E.C.

McGwire, John Frederick Kane, Delhi and London Bank, 123, Bishopsgate Street Within, E.C.
Macdonald, James, Liverpool Commercial Banking Company, Limited, Castle Street, Liverpool
Macdonald, John James, The Capital and Counties Bank, Limited, 39, Threadneedle Street, E.C.
Mackean, William John, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
McKewan, William, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Macmillan, Eagle Henderson, Caledonian Banking Company, Inverness
Macnab, Henry Black, Bank of New Zealand, 1, Queen Victoria Street, E.C.
Main, George Agnew, Clydesdale Banking Co., Carlisle
Malcolm, William Rolle, Messrs. Coutts & Co., 59, Strand, W.C.
Marjoribanks, George John, Messrs. Coutts & Co., 59, Strand, W.C.
***Martin**, John Biddulph, Messrs. Martin & Co., 68, Lombard Street, E.C.
***Martin**, Richard Biddulph, M.P., Messrs. Martin & Co., 68, Lombard Street, E.C.
Mason, Charles Letch, Leeds and County Bank, Limited, Leeds
***Matthews**, James Henry, Messrs. Grindlay & Co., 55, Parliament Street, S.W.
May, Frank, Bank of England, E.C.
Melville, Alexander Samuel Leslie, Messrs. Smith, Ellison & Co., Lincoln
Michael, Walter Amos, International Financial Society, Limited, 12, Tokenhouse Yard, E.C.
Michie, Andrew Smith, Royal Bank of Scotland, 123, Bishopsgate Street, E.C.
Michôd, Charles James, care of T. P. Walker, 39, Warkworth Street, Park Side, Cambridge.
Millard, James, Stuckey's Banking Co., Langport, Somerset
Mills, Sir Charles Henry, Bart., M.P., Messrs. Glyn & Co., 67, Lombard Street, E.C.
Moffatt, Robert John, F.R.G.S., Messrs. Foster, Cambridge & Cambridgeshire Bank, Cambridge
Moodie, John, London and Yorkshire Bank, Limited, Halifax
***Morgan**, Joseph Bond, Stand House, Childwall, Liverpool
Mort, William, Australian Joint Stock Bank, 18, King William Street, E.C.
Moses, Joseph, Bradford Old Bank, Limited, Bradford

* Life Fellow.

Moxon, Thomas Bouchier, Manchester and County Bank, Limited, Manchester
Muir, James G., Standard Bank of South Africa, East London, South Africa
Mullins, Edward Gibbons, City Bank, 34, Old Bond Street, W.
Mullins, William Charles, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Mullins, Lovel John, English Bank of Rio de Janeiro, Limited, 13, St. Helen's Place, E.C.
Mullins, Thomas Lee, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Murdoch, Charles Townshend, Messrs. Ransom, Bouverie & Co., Pall Mall East.

Narraway, W.F., London Joint Stock Bank, 5, Princes Street, E.C.
Neill, William, The City Bank, Sydney, New South Wales
Nesbitt, Charles Mitchell, Lincoln and Lindsey Banking Co., Limited, Louth
Nisbet, Walter, Bank of England, Bristol
Noble, Benjamin, North Eastern Banking Co., Limited, Newcastle-on-Tyne
Norman, Edward, Messrs. Martin & Co., 68, Lombard Street, E.C.
Norman, Frederick Henry, Messrs. Martin & Co., 68, Lombard Street, E.C.

O'dell, John Johnson Pearcy, Union National Bank, Chicago, Illinois, U.S.A.
Oëlsner, Isidor, Messrs. Stern Bros., 6, Angel Court, Throgmorton Street, E.C.

Page, George William, London and Provincial Bank, King's Lynn
*Palgrave, Robert Harry Inglis, F.S.S., 11, Britannia Terrace, Great Yarmouth
Partridge, Henry, Staffordshire Joint Stock Bank, Birmingham
Pattison, Alexander, London and County Banking Co., Limited, Upper Street, Islington
Phillips, John Beavan, Messrs. Wilkins & Co., Llanelly
Phillpotts, Abraham Hodgson, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Pierce, William, Messrs. Smith, Ellison & Co., Old Bank, Lincoln
Pothonier, Charles Sligo de, 9, Cornhill, E.C.
Pownall, George Henry, Manchester and Salford Bank, St. Ann's Street, Manchester
Praed, Charles Tyringham, Messrs. Praeds & Co., 189, Fleet Street, E.C.
Price, Frederick George Hilton, F.G.S., F.R.G.S., Messrs. Child & Co., 1, Fleet Street, E.C.
Price, Frederick William, Messrs. Child & Co., 1, Fleet Street, E.C.
Price, Henry Fitzhardinge, Messrs. Miles, Cave, Bailey & Co., Bristol
Pritt, Thomas Evan, London and Yorkshire Bank, Leeds
Pym, Robert Ruthven, Messrs. Coutts & Co., 59, Strand, W.C.

Quanborough, Fred. Walter, Agra Bank, Lahore, India

Rae, George, North and South Wales Bank, Limited, Liverpool
*Ravenscroft, Francis, Birkbeck Bank, 29, Southampton Buildings, Chancery Lane, W.C.
Rawlins, Thomas Joseph Davis, Wilts and Dorset Banking Co., Lymington
Readman, George, The Clydesdale Banking Co., Glasgow
*Reeve, Charles, London & Westminster Bank, Limited, 214, High Holborn, W.C.
Reid, John Lindsay, The Bank of Africa, Port Elizabeth, S. Africa
Reid, John Maitland, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E.C.
Robb, John, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
Roberts, Lewis, National Provincial Bank of England, Limited, Haverfordwest
Roberts, William Charles, Dunedin, New Zealand
Robertson, Alexander, Liverpool Union Bank, Liverpool
Robertson, David Trail, Bengal Central Railway Co., 199, Gresham House, Old Broad Street, E.C.
Robinson, George, Craven Bank, Limited, Skipton-in-Craven, Yorkshire
Robinson, Thomas George, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Rorie, George Livingston, Aberdeen Town and County Banking Co., Aberdeen
Ross, Hugh Cameron, 18, Park Terrace, Glasgow
Ross, John Robert, The Bank of Bolton, Limited, Bolton

* Life Fellow.

*Russell, William Fairweather, Bank of New Zealand, Wanganui, N.Z.
Rutt, Henry, Oak Lodge, 66, Finchley Road, N.
Ryder, Hon. Henry Dudley, Messrs. Coutts & Co., 59, Strand, W.C.

Salt, Thomas, M.P., 85, St. George's Square, S.W.
Sanderson, John, The Lancaster Banking Co., Lancaster
Scrymgeour, John Sturrock, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
Seebohm, Frederic, Messrs. Sharples & Co., Hitchin
Selby, Prideaux, Bank of Australasia, 4, Threadneedle Street, E.C.
Sewell, Philip Edward, Messrs. Gurneys & Co., Norwich
Seyd, Richard, Messrs. Seyd & Co., 38, Lombard Street, E.C.
Shannon, Frederick Augustus, Messrs. Coutts & Co., 59, Strand, W.C.
Sheppard, Charles William, National Provincial Bank of England, Derby Square, Liverpool
Simms, Thomas, National Provincial Bank of England, Leeds
Simpson, James, Bank of Africa, Limited, Port Elizabeth, Cape of Good Hope
Simpson, John Hope, Bank of Liverpool, Liverpool
Sington, Julius, Anglo-Californian Bank, Limited, 3, Angel Court, Throgmorton Street, E.C.
Skipwith, Robert Windsor, Messrs. Child & Co., 1, Fleet Street, E.C.
Slater, Robert, Union Bank of London, 2, Princes Street, E.C.
Smith, Alfred Charles, National Provincial Bank of England, Limited, Bristol
Smith, Frederick Chatfield, Messrs. S. Smith & Co., Nottingham
Smith, Jervoise, Messrs. Smith, Payne & Smiths, 1, Lombard Street, E.C.
Smith, Jonathan, Messrs. Abraham de Gruchy & Sons, Jersey
Smith, John, Board of Trade, 31, Great George Street, Westminster, S.W.
Smith, Joseph Alfred, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Smith, Robert, Messrs. Smith, Payne & Smiths, 1, Lombard Street, E.C.
Smith, Thomas Hector, National Bank of Scotland, Edinburgh
Soul, Joseph Simmonds, London Joint Stock Bank, 5, Princes Street, E.C.
Spencer, John, Messrs. Brooks & Co., 81, Lombard Street, E.C.
Sowerby, Charles James, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Stacey, Frederick, Sheffield Union Banking Co., Sheffield
Stanley, Edward William, Messrs. Coutts & Co., 59, Strand, W.C.
Steele, Robert, Manchester and County Bank, Limited, 2, York Street, Manchester
Stewart, Robert, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.
Stock, Henry Porter, London and County Banking Company, Limited, Barnet
Stranack, Edwin Fulcher, Alliance Bank of Simla, Limited, Rawul Pindee, Punjab, India
Strickland, Algernon A. de L., Messrs. Hoares, 37, Fleet Street, E.C.
Sweeting, J. H. S., London and County Banking Co., Limited, Cambridge
Swinford, Thomas Francis, Messrs. Cobb & Co., Margate

Taylor, John, Consolidated Bank, Limited, 52, Threadneedle Street, E.C.
Taylor, Hugh Lewis, Bank of Victoria, 28, Clement's Lane
Thomas, Francis Wolferstan, The Molsons Bank, Montreal
Thomas, John Morgan, National Provincial Bank of England, Brecon
Thomson, Alexander, Union Bank of Australia, Limited, Brisbane, Queensland
Thornton, Reginald Douglas, Messrs. R. & R. Williams & Co., Dorchester
Tipping, William, Manchester and Liverpool District Banking Co., Limited, Manchester
*Todd, John, Banco de Londres and Rio de la Plata, Buenos Ayres, Argentine Republic
Tolhurst, George Edmeades, Bank of New Zealand, Wellington, N.Z.
Torrens, K.C.M.G., Sir Robert Richard, Bank of South Australia, 54, Old Broad Street, E.C.
Tritton, Joseph Herbert, F.S.S., Messrs. Barclay & Co., 54, Lombard Street, E.C.
Tucker, George Amos, Union Bank of London, 2, Princes Street, E.C.

* Life Fellow.

Tufnell, William Michael, Messrs. Sparrow, Tufnell & Co., Chelmsford

Turpie, William, Derby and Derbyshire Bank, Derby

Turner, Henry Gyles, Commercial Bank of Australia, Limited, Melbourne, Victoria

Twining, Herbert Haynes, Messrs. Richard Twining & Co., 215, Strand, W.C.

Twist, Charles, Birmingham, Dudley and District Banking Company, Limited, Birmingham

Vandendriesche, Albert Edouard, Messrs. C. Devaux & Co., 62, King William Street, E.C.

Wade, Richard Blaney, F.R.G.S., National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Waite, Robert, Stamford, Spalding and Boston Banking Co., Limited, Leicester

Walker, Alexander, Arden House, Upper Clapton, London, E.

Walker, Melville Mitchell, Yorkshire Banking Co., Limited, Leeds

Wallen, Robert, Harlech, Hawthorn, Melbourne, Victoria

Waterlow, Sir Sydney Hedley, Bart., M.P., Union Bank of London, 2, Princes Street, E.C.

Watkins, Jonah, Messrs. David Jones & Co., Llandovery

Wegelius, Theodor, Forening's Bank, Helsingfors, Finland

Wells, George, Worcester City and County Banking Co., Limited, Ludlow

Wells, Josiah, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Wenley, James Adam, Bank of Scotland, Edinburgh

West, Robert Gibson, Commercial Banking Co. of Sydney, 39, Lombard Street, E.C.

Wethey, Eugene, National Provincial Bank of England, Limited, Middlesborough

Wheelwright, John Graham, Halifax Commercial Banking Co., Limited, Halifax

Whelen, John Leman, National Bank, 158, High Street, Notting Hill, W.

Wick, Charles, London and County Banking Co., Limited, 21, Lombard Street, E.C.

Wilkinson, Thomas Read, Manchester and Salford Bank, Manchester

Williams, Henry William, Worcester City and County Banking Co., Limited, Cheltenham

Williams, Robert, jun., Messrs. Williams, Deacon & Co., 20, Birchin Lane, E.C.

Williams, Reginald Pownall, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Wilson, Frederick Alfred Adolphus, Mercantile Bank of Sydney, Sydney, N.S.W.

Wood, Richard, Messrs. Barclay & Co., 54, Lombard Street, E.C.

Woodhouse, Robert, Messrs. Sparrow, Tufnel & Co., Essex Bank, Chelmsford

Young, Archibald, The Capital and Counties Bank, Limited, 39, Threadneedle Street, E.C.

TOTAL NUMBER OF FELLOWS, 378.

LIST OF ASSOCIATES.

Abercrombie, William, Union Bank of Scotland, Paisley
Acombe, Leonard, Messrs. Wilkins & Co., Aberdare
Aldis, John Brown, Messrs. Gurneys & Co., Norwich
Allen, Benj., Huddersfield Banking Co., Huddersfield
Allen, Frederick, Manchester and Liverpool District Bank, Hanley
Alsop, Robert, Messrs. Watts, Whidborne & Co., Teignmouth Bank, Teignmouth
Alton, James Poë, The National Bank, College Green, Dublin
†Amphlett, George Thomas, Standard Bank of South Africa, Limited, Port Elizabeth, Cape of Good Hope
Anderson, John, Bank of Scotland, Paisley
Anstee, Henry Edwin, London and County Banking Co., Limited, Colchester
Antliffe, William Ashe, Messrs. Wakefield, Crewdson & Co., Ulverstone
Archer, Edward, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Armstrong, William, Stamford, Spalding and Boston Banking Co., Limited, Boston
Ashdowne, Joseph Wykes, Northamptonshire Union Bank, Oundle
Atkins, William, Stamford, Spalding and Boston Banking Co., Limited, Market Harborough
Atkinson, John Harrison, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Attwood, Thomas, Mount Pleasant, Bilston, Staff.
Awdry, William Charles, Birmingham, Dudley and District Banking Co., Limited, Kidderminster
Aylett, Edward, London and County Banking Co., Limited, Maidenhead

Baillie, Henry Robert, London and County Banking Co., Limited, Bank Buildings, Westow Hill, Upper Norwood, S.E.
Baker, Alfred, Messrs. Lechmere & Co., Tewkesbury
Baker, Henry, Manchester and Salford Bank, Manchester
Ball, Henry, Messrs. Brooks & Co., 81, Lombard Street, E.C.
Baly, Edward Ely, Bank of England, E.C.
Banks, George, London and Westminster Bank, Limited, 91, Westminster Bridge Road, S.E.
Barclay, George Henry, London and County Banking Co., Limited, Andover
Barnard, George, Bank of England, E.C.
Barnes, Edmund Lawson, Lancaster Banking Co., Barrow-in-Furness
Barnett, Robert William, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Baynes, Lister, Bank of England, E.C.
Beard, Robert James, Nottingham and Notts Banking Co., Newark
Beart, Arthur Lutyens, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Beete, Alexander Ferrier, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Bell, Robert, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
Bennie, Andrew, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Berridge, William, General Credit and Discount Co., 7, Lothbury, E.C.
Bishop, Thomas, Royal Bank of Scotland, Montrose
Blackwood, James Taylor, Ulster Banking Co., Belfast
Blockley, Henry Edwin, London and Westminster Bank, Limited, 214, High Holborn, W.C.
Blott, Arthur Angelo Fleetwood, Crédit Lyonnais, 39, Lombard Street, E.C.
Blundell, Edwin, Union Bank of London, Charing Cross, S.W.
Boddington, Joseph Compton, Bank of New Zealand, Masterton, Wellington, New Zealand
Bolton, George, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Boulton, Babington, Messrs. J. Backhouse & Co., Bishop Auckland
Bowen, Horace George, Bank of England, E.C.
Bowman, John Herbert, Bank of England, E.C.
Box, John Edmund, London and Westminster Bank, Limited, 1, St. James's Square, S.W.
Boyd, John Neill, Bank of New South Wales, 64, Old Broad Street, E.C.

† Holder of the Certificate of the Institute.

Boyer, Henry, Bank of England, E.C.
Brakenridge, Alexander, Clydesdale Banking Company, Limited, Cupar, Fife
Bradnam, Thomas, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.
Braithwaite, Robert Tenison, Ulster Banking Co., Belfast, Ireland
Brander, John, Clydesdale Bank, 30, Lombard Street, E.C.
Bremner, Donald, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Brett, John, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Brodie, James, Manchester and Liverpool District Banking Co., Limited, Rochdale
Brook, Richard George, Leeds and County Bank, Limited, Leeds
Brookes, Albert Diment, Stuckey's Banking Co., Ilminster
Brown, William, Messrs. Garfit, Claypon & Co., Horncastle, Lincolnshire
Bryant, Charles, Messrs. Willyams, Willyams & Co., Miners' Bank, Truro
Bullard, Thomas, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Burbidge, Arthur Arnold, Southfields, Leicester
Burgess, George Chesworth, Manchester and Salford Bank, Ormskirk
Burls, Edward Johnson P., London and County Banking Co., Limited. Hitchin
Burton, Edward Joseph, National Provincial Bank of England, Limited, Hereford
Butler, George Waltham, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Bytheway, William Henry, Birmingham & Midland Banking Co., Birmingham

Caines, John, Wilts and Dorset Banking Co., Lymington
Calder, James Dick, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Carpenter, Joseph, London and County Banking Co., Limited, 21, Hanover Square, W.
Carter, Theodore, New London and Brazilian Bank, Limited, 8, Tokenhouse Yard, E.C.
Chabot, Charles, London and County Banking Co., Limited, 74 & 76, Westbourne Grove, W.
Chapman, Frank, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Charlesworth, Thomas Lister, Manchester and County Bank, Limited, Oldham
Cheney, William Turley, London & County Banking Co., Limited, Tenterden
Chislett, Thos. Redmayne, Sheffield and Rotherham Joint Stock Bank, Rotherham
Christie, Henry F., Bank of New Zealand, Patea, Taranaki, N.Z.
Chumley, John, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.
Churchward, Frederick, National Provincial Bank of England, 112, Bishopsgate Street, E.C.
Clark, George Napier, Parr's Banking Co., Limited, Macclesfield
Clark, Henry Lavender, National Provincial Bank of England, Peterborough
Clarke, John, Messrs. Gurneys, Birkbeck & Co., Beccles
Clarke, Raymond, London and Provincial Bank, Walthamstow
Clay, Joseph Cecil, Birmingham, Dudley and District Bank, Birmingham
Clough, William, Manchester and Salford Bank, Manchester
Cohen, David de Lara, Crédit Lyonnais, 40, Lombard Street, E.C.
Collins, Henry Ellis, National Bank of Wales, Limited, Aberdare
Constable, Arthur, London & Westminster Bank, Limited, 41, Lothbury, E.C.
Cook, Thurstan Wilson, Liverpool Commercial Bank, Liverpool
Coote, Charles Nurse, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Corbin, Francis John, Messrs. Coutts & Co., 59, Strand, W.C.
Corpe, Richard Norton, Stuckey's Banking Co., Clifton, Bristol
Coryton, William Newbold, Coryton's Exchange Bank, 49, Dean's Gate, Manchester
Coulson, Charles Henry, Crompton and Evans' Union Bank, Limited, Derby
Cox, Arthur Russell, Lloyd's Banking Co. Limited, Rugby
Coxhead, Edward Langston, Stuckey's Banking Co., Clevedon, Somerset
Coy, William Thomas, Messrs. Gurneys & Co., North Walsham
Cragg, Miles, London and County Banking Co., Limited, High Street, Kensington, W.
Craig, John, Manchester and Salford Bank, Salford
Craske, Edmund John, London & County Banking Co., Limited, Slough
Critchell, James Trowbridge, Union Bank of Australia, Townsville, Queensland

Croft, Cyrus Woodley, Devon and Cornwall Banking Co., Totnes
Cumberland, George Foster, York City and County Bank, Selby

Dawson, William, West Riding Union Banking Co., Huddersfield
Davidson, Alexander Harvey, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E,C.
Davies, Joseph, London and Provincial Bank, Usk, Mon.
Davy, John William, Staffordshire Joint Stock Bank, Limited, West Bromwich
Dawes, Alfred, National Provincial Bank of England, Limited, Clifton
Day, William George, London and County Bank, Maidenhead
Dean, Henry, London and County Bank, Oxford Street, W.
Dennistoun, Archibald, Royal Bank of Scotland, 124, Bishopsgate Street Within, E.C.
Derry, Thos. Richard, Crompton and Evans, Union Bank, Belper
Devenish, Everton, Wilts and Dorset Bank, Weymouth
Dewhirst, Charles Roger, Messrs. Gurneys & Co., Aylsham
Dillon, William FitzGibbon, National Bank, Ballinasloe, Ireland
Dimsdale, William Frederick, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Dishington, Alexander, Manchester and Liverpool District Banking Co., Limited, Stalybridge
Doherty, Octavius Blunden, London and County Banking Co., Limited, Stratford, Essex
Dolbey, Thomas Hamer, Messrs. Barclay & Co., 54, Lombard Street, E.C.
*Donaldson, Frederic Shreve, care of Mrs. E. James, Oatlands, Loudoun County, Virginia, U.S.A.
Dovey, Alexander Morton, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E.C.
Dow, John, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Drummond, Peter, Manchester Joint Stock Bank, 79, King Street, Manchester
Duncan, John Kinmont, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Dwelly, George Augustus Frederick, Union Bank of London, 2, Princes Street, E.C.

Eagles, James Payn, Bank of New Zealand, Levuka, Fiji Islands
Earle, Charles, London and County Bank, Sussex Place, Queen's Gate, S.W.
†Easton, Harry Tucker, Messrs. Smith, Payne & Smiths, 1, Lombard Street, E.C.
Edwards, Walter Maples, London and County Bank, Saffron Waldon
Elliot, Robert, National Provincial Bank of England, Limited, Manchester
Ellis, Thomas, Birmingham, Dudley and District Banking Co., Limited, Market Drayton
Ellis, William, London and County Banking Co., Limited, 112, Aldersgate Street, E.C.
England, William George, London and Westminster Bank, Limited, 1, St. James's Square, S.W.
Esdon, Henry Stuart, National Bank of Scotland, 37, Nicholas Lane, E.C.
Evans, Adoniah, Messrs. Pugh, Jones & Co., Llandudno
Evans, George, Messrs. I & I. C. Wright & Co., Nottingham
Evans, Nicholas Burdwood, National Provincial Bank, Newcastle-on-Tyne
Ewing, Henry, Birmingham, Dudley, and District Banking Co., Sheffield

Fairburn, John, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Farrell, John Douglas, Bank of England, 1, Burlington Gardens, W.
Ferguson, Daniel, National Bank of Scotland, Stirling
Fisher, Charles, London and Westminster Bank, Limited, 130, High Street, Whitechapel
Fisher, Francis Morris, National Bank, Tuam, co. Galway
Fisher, Richard Ellis, Parr's Banking Co., Limited, Garston, Liverpool
Foden, James Hoyle, Manchester and County Bank, Limited, Clitheroe
Forbes, John, Union Bank of London, Charing Cross, S.W.
Ford, John, Messrs. Stephens, Blandy & Co., Great Marlow, Bucks
Fowles, Fred. Enoch T., Stuckey's Banking Co., Wincanton

* Life Associate. † Holder of the Certificate of the Institute.

Foxwell, Andrew James, National Provincial Bank of England, Limited, Chipping Sodbury
Fraser, James, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Frith, William Henry, Lloyd's Banking Co., Limited, Stafford
Fry, William Rowlands, Standard Bank of British South Africa, Limited, 10, Clement's Lane, E.C.
Furness, Charles, Bank of New Zealand, 1, Queen Victoria Street, E.C.
Fyshe, Alexander, Woodstock Road, Moseley, Birmingham

Gall, William, British Linen Company, Elgin, N.B.
Gallichan, Edward Clement, The Capital and Counties Bank, Limited, Sandown, Isle of Wight
Garrett, Frank Burton, London and County Banking Co., Limited, Gravesend
Gemmell, Charles Archibald, National Provincial Bank of England, Limited, Ilfracombe
Gibb, Alexander, Messrs. Bacon, Cobbold & Co., Ipswich
Gill, Richard, Lancaster Banking Co., Chorley
Gillmour, William, Bradford Old Bank, Harrogate
Glen, Edward John, London and County Banking Co., Limited, Braintree
Glennie, George Frederick, Bank of England, E.C.
Glover, Davis Richards, The Leeds and County Bank, Limited, Leeds
Goldsmith, Harry St. Barbe, Stuckey's Banking Co., Bridgewater
Goodchild, William John, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Gordon, George Bonnalie, London and Westminster Bank, 41, Lothbury, E.C.
Gordon, Richard, Provincial Bank of Ireland, Sligo
Gouly, Edward James, Bank of England, E.C.
Grace, William, Messrs. Leatham, Tew & Co., Wakefield
Grant, John Finland, Manchester Joint Stock Bank, 35, Hanging Ditch, Manchester
Grant, James Robertson, Bank of Scotland, Fraserburgh
Greatorex, Charles Frederick, Lloyd's Banking Company, Hednesford
Green, George James, London and County Banking Co., Limited, 3, Victoria Street, S.W.
Greenhill, William, Birmingham, Dudley and District Banking Co., Limited, Dudley
Greenhouse, Charles, North and South Wales Bank, Limited, Rodney Branch, Liverpool
Gregory, Robert Weeks, National Provincial Bank of England, Limited, Southampton
Gribble, William George, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Griggs, Benjamin, London and County Banking Co., Limited, Reigate
Guilding, Duncan, National Provincial Bank of England, 112, Bishopsgate Street, E.C.
Guy, John Charles, Stamford, Spalding and Boston Banking Co., Limited, Uppingham

Habbishaw, Atkinson, National Provincial Bank of England, Limited, Newcastle-under-Lyme, Staffordshire
Hack, John, Messrs. I. and I. C. Wright & Co., Nottingham
Haddon, Walter, Royal Bank of Scotland, Hawick
Hadland, Frank Alner, Hursley, Maple Road, Anerley, S.E.
Haines, John, The Capital and Counties Bank, Limited, Calne
†Hamilton, James Alex., London and Yorkshire Bank, 7, Draper's Gardens, E.C.
Hammond, George Fred, Huddersfield Banking Co., Batley
Handley, Richard, Preston Banking Co., Blackpool, Lancashire
Hanna, James Crawford, Bank of New Zealand, Southbridge, Canterbury, New Zealand
Harding, Frank Davies, London and County Banking Co., Limited, High Wycombe
Harper, Charles, Lloyd's Banking Co., Limited, Cannock
Harries, Albert, Messrs. Wilkins & Co., Brecon Old Bank, Carmarthen
Harris, George St. Pierre, London and County Banking Co., Limited, Huntingdon
Harrison, Thomas, Sheffield Union Banking Co., Sheffield
Hartley, Robert William, National Provincial Bank of England, York

† Holder of the Certificate of the Institute.

Harvey, George Alexander, The Capital and Counties Bank, Limited, 39, Threadneedle Street, E.C.
Harwood, Richard, London and Provincial Bank, Pembroke Dock
Hassel, Thornton, London and County Bank, Petersfield
Hatherly, Walter, National Provincial Bank of England, Limited, Hanley
Hatten, Henry, London and County Banking Co., Limited, Kingston-on-Thames
Havers, Richard, London and County Banking Co., Limited, Banbury
Hawksworth, James France, Manchester and Liverpool District Bank, Nantwich
Hawson, William Robert, London and County Banking Co., Limited, Greenwich, S.E.
Hayles, George Charles, Capital and Counties Bank, Commercial Road, Landport
Head, Arthur, The Imperial Bank, Limited, 6, Lothbury, E.C.
Healey, Edward, Union Bank of Manchester, Littleboro'
Hearn, Richard, National Provincial Bank of England, Limited, Burton-on-Trent
Heath, Meyrick William, Wilts and Dorset Bank, Clifton, Bristol
Henley, William Frederick, Wilts and Dorset Banking Co., Salisbury
Henderson, Francis John, Bank of England, Newcastle-on-Tyne
Henn, Robert John, Birmingham and Midland Bank, Birmingham.
Heys, Richard Theodore, Manchester & Salford Bank, Mosley Street, Manchester
Hibbert, William Vembhard, Bank of England, E.C.
Hight, Charles, National Provincial Bank of England, Limited, Southampton
Hill, Frank, Stamford, Spalding and Boston Banking Co., Northampton
Hill, Joseph, Bradford Commercial Banking Co., Limited, Bradford
Hingston, Frederic, National Provincial Bank of England, Limited, Cardiff
Hoar, Thomas, London and County Banking Co., Limited, West End Branch, Brighton
Hoddinott, Joseph Fletcher, London and County Bank, Newport, Isle of Wight
Hodges, William Abraham, Messrs. Samuel Smith & Co,, The Bank, Mansfield
*Hodgson, Arthur, Eastern Villa, Heworth Green, York
Hodgson, William, Halifax Commercial Banking Co., Limited, Bradford
Hogarth, David, Wilts and Dorset Banking Co., Southampton
Holland, Henry, Eyeswell Villa, Eccleshall
Hollis, James, Wilts and Dorset Banking Company, Salisbury
Hooper, Frank Stanley, Staffordshire Joint Stock Bank, Limited, Cannock, Stafford
Horner, William, National Provincial Bank of England, Limited, Southsea
Horsfall, Richard Noble, Lancaster Banking Co., Fleetwood
Howarth, James Henry, London and Yorkshire Bank, Doncaster
Hughes, Walter, North and South Wales Bank, Limited, Carnarvon
Huie, Richard William, M.I.B., Scot. Commercial Bank of Scotland, Greenside, Edinburgh
Hulton, William Ford Ralph, Messrs. J. Backhouse & Co., West Hartlepool
Humphreys, Alexander Borland, Manchester and Liverpool District Bank, Warrington
Humphreys, John, Manchester and Liverpool District Banking Co., Stockport
Huntley, Thomas, Messrs. Robarts & Co., 15, Lombard Street, E.C.
Hutchison, Alfred Du Flon, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Isaacson, John, Liverpool Union Bank, 112, Bold Street, Liverpool

Jackson, John Straker, North Eastern Banking Co., North Sunderland (Chathill)
Jarvis, Edward, Union Bank of London, 2, Princes Street, E.C.
Jay, James Turner, City Bank, Limited, 34, Old Bond Street, W.
Jecks, William John, Messrs. Coutts & Co., 59, Strand, W.C.
Johnson, James, Messrs. Hall, Bevan & Co., Brighton
Johnston, David, Messrs. Garfit, Claypon and Co., Spalding
Jones, John Newton, North and South Wales Bank, Limited, 62, Castle Street, Liverpool
Jones, John Owen, Messrs. Pugh, Jones & Co., Llanberis, Carnarvon
Jones, Lewis Tiddy, National Provincial Bank of England, 112, Bishopsgate Street, E.C.

* Life Associate.

Jones, Owen, Bank of England, E.C.
Jones, Robert, North and South Wales Bank, Limited, Barmouth
Jones, Robert Macnan, Bank of South Australia, 54, Old Broad Street, E.C.
Jones, Thomas Davies Palmer, Union Bank of London, Charing Cross, S.W.
Jones, Thomas Luther, National Provincial Bank of England, Limited, Builth
Jones, William, North and South Wales Bank, Limited, Portmadoc.
Jones, William Henry, Merchants' Bank of Canada, Winnipeg, Manitoba
Jones-Parry, Thomas Parry, North and South Wales Bank, Limited, Dolgelly

Keigwin, Charles David, Charlton Villa, Colchester
Kemp, Francis, Manchester and Salford Bank, Manchester
*Kennaby, George Lewis, Union Bank of London, Chancery Lane, W.C.
Kenning, William Davy, 5, Foster Street, Bedford
Kerr, Edward Christian, Dumbell's Banking Co., Limited, Ramsey, Isle of Man
King, Gilbert, Bank of New South Wales, Wanganui, New Zealand
King, Harold Robertson, Messrs. King, King & Co., Bombay, India
Kirk, Alfred, Lincoln and Lindsey Banking Co., Limited, Gainsboro'
Kirlew, Gilbert Richardson, Union Bank of Manchester, 67, Piccadilly, Manchester
Knight, Walter Chaplin Grundy, Leicestershire Banking Co., Limited, Atherstone, Warwickshire
Knowles, Charles, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Knox, Stanley Pell, Messrs. Glyn & Co., 67, Lombard Street, E.C.

Lander, Frank Eaton, London Joint Stock Bank, 28, Borough High Street, S.E.
Langworth, Samuel Thomas Willsdon, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Lane, George William, Colonial Bank, Trinidad
Lane, Henry Langridge, Nottingham Joint Stock Bank, Ripley, Derby
Laughton, George James, Parr's Banking Co., Birkenhead
Lawson, Thomas Dillon, Bankof Ireland, Ennis
Lazenby, Francis, The Capital and Counties Bank, Limited, Basingstoke
LeCren, Alfred, London and Westminster Bank, Limited, 130, High Street, Whitechapel, E.
Lee, Joshua George Terry, Staffordshire Joint Stock Bank, Birmingham
Lemon, Richard, London and County Banking Co., Limited, Windsor
Lett, Joseph Parrott, Worcester City and County Banking Co., Limited, Worcester
*Lewis, Henry Arnold, Gloucestershire Banking Company, Cheltenham
Lidderdale, Wm. Robertson, Somersetshire Bank, Radstock
Lind, George Martin, Hong-Kong and Shanghai Banking Corporation, 31, Lombard Street, E.C.
Little, James, British Linen Company Bank, 41, Lombard Street, E.C.
Livesay, Nathanael Dunbar, Bank of England, E.C.
Lloyd, John, jun., Messrs. Williams & Co., Bangor
Lloyd, William, National Provincial Bank of England, Machynlleth, N. Wales
Long, James Thomas, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Lovelock, William Hudswell, London and County Banking Co., Limited, Midhurst
Lovett, Edward, London and Westminster Bank, Limited, 1, St. James's Square, S.W.
Lucy, Charles Frederic, Wilts and Dorset Banking Company, Southampton
Lush, John Millard, Wilts and Dorset Banking Co., Dorchester

Macfarlane, Hugh, British Linen Company, Paisley
Mackenzie, Benjamin Duncan, Bank of England, E.C.
Mackie, David, Colonial Bank of New Zealand, 13, Moorgate Street, E.C.
McDonald, William Yeats, Union Bank of Scotland, Aberdeen
McDowall, Samuel Susanson, Messrs. Bosanquet, Salt & Co., 73, Lombard Street, E.C.
McGregor, James Abel, Parr's Banking Co., Limited, Wigan
Mackay, Ronald Junnia, Messrs. Coutts & Co., 59, Strand, W.C.
Maclachlan, Thomas, National Provincial Bank of England, Limited, Darlington

* Life Associate.

Maclean, Christopher Haydon, Bank of New Zealand, Foxton, Wellington, New Zealand

McMurtie, Hugh, Stuckey's Banking Co., Frome

Maddison, Edward, National Provincial Bank of England, Limited, Ledbury

Mainland, Dudley John, Messrs. Barclay & Co., 54, Lombard Street, E.C.

†Manly, Robert. Messrs. Melville, Evans & Co., 75, Lombard Street, E.C.

Mann, John Charles, Union Bank of London, 2, Princes Street, E.C.

Mannall, John Haxell, Messrs. Gurneys & Co., Norwich

Manuel, James, London and Provincial Bank, Limited, Rochester

Marquis, James Thomas, Manchester and County Bank, Limited, Colne

Marshall, John, National Provincial Bank of England, Cardiff

Martin, Frank, Royal Bank of Scotland, 124, Bishopsgate Street Within, E.C.

Matthews, Bernard, Worcester City and County Banking Co., Worcester

Matthews, John, National Provincial Bank of England, Limited, Amlwch, Anglesey

Mattison, Francis Charles, Messrs. Vallance & Payne, Bankers, Sittingbourne

Maw, Samuel Alexander, jun., Messrs. Alexanders, Birkbeck & Co., Sudbury, Suffolk

Mayer, David, 7, East India Avenue, E.C.

Meacock, Charles, London and County Banking Co., Limited, 21, Hanover Square, W.

Meikle, Robert, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester

Meldrum, Halkerstone, Bank of New South Wales, 64, Old Broad Street, E.C.

Mellersh, Edward John, Messrs. Coutts & Co., 59, Strand, W.C.

Mence, Richard Thomas, Worcester City & County Banking Co., Limited, Malvern

Methley, Charles, Barnsley Banking Co., Barnsley

Millar, Harry Lee, Union Bank of London, Charing Cross, S.W.

Millet, Charles Dewen, London and Westminster Bank, Limited, 192, Brompton Road, S.W.

Millet, Walter Hale, Bank of England, E.C.

Milligan, James, Birmingham Joint Stock Bank, New Street, Birmingham

Milligan, John, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Mills, John Elliott, The Capital & Counties Bank, Limited, Bristol

Mitchell, Alexander, London and County Banking Co., Limited, Newport, Isle of Wight

Morgan, James Michael, London & Westminster Bank, Limited, 41, Lothbury, E.C.

Morris, Edward Jones, Birmingham and Midland Bank, New Street, Birmingham

Morris, John, Messrs. Sparrow, Tufnell & Co., Essex Bank, Halstead, Essex

Morris, William, Messrs. Stephens, Blandy & Co., Maidenhead

Morrison, John, Manchester and Liverpool District Banking Co., Limited, Ormskirk

Mothersdale, James, National Provincial Bank of England, Shaftesbury

*Mottram, James, Messrs. Gurneys & Co., Norwich

Mourant, Samuel Noé, The Capital and Counties Bank, Limited, Alresford, Hants.

Mousley, Henry Knight, Birmingham, Dudley and District Banking Co., Limited, Whitchurch, Salop

Moxley, Edwin, Messrs. Miles, Cave, Baillie & Co., Bristol

Myles, Charles Derwentwater, Union Bank of London, 2, Princes Street, E.C.

Nash, Frederick William, Worcester City and County Bank, Colmore Road, Birmingham

Naylar, William, London and County Banking Co., Limited, Slough

Neilson, Douglas, London & Westminster Bank, Limited, 1, St. James's Square, S.W.

Ness, Thomas, National Bank of Scotland, Nicholas Lane, E.C.

Newhouse, William Henry, London and Yorkshire Banking Co., Limited, Brighouse, Yorkshire

Newnham, Lewis Edward, Wilts & Dorset Banking Co., Wells, Somerset

Newson, Henry, London and Provincial Bank, Walham Green, S.W.

Nicholls, William, Hong Kong & Shanghai Banking Corporation, 31, Lombard Street, E.C.

Niven, George, Commercial Bank of Australia, 17, Cornhill, E.C.

Nixon, George Frederick, London and County Banking Co., Limited, Ashford

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* Life Associate. † Holder of the Certificate of the Institute.

Noake, Charles Woodyatt, Worcester City and County Banking Co., Limited, Worcester

Norman, Fred., London and South Western Bank, North End, Croydon

Norman, John George, Messrs. Harris, Bulteel & Co., Naval Bank, Plymouth

Nye, Charles, Messrs. Coutts & Co., 59, Strand, W.C.

O'Connor, John Samuel, London & County Banking Co., Maldon

Odell, George, Leicestershire Banking Co., Limited, Leicester

Old, Albert Edward, The Swansea Bank, Limited, Llanelly

Orrett, Alfred, Parr's Banking Co., Knutsford

Outram, Augustus Frederick, London and County Banking Co., Limited, Tenterden

Page, George William, London & Provincial Bank, Limited, King's Lynn

Palethorpe, David Arthur, Nottingham & Notts Banking Co., Nottingham

Palmer, Robert, Lancaster Banking Co., Kirkby Lonsdale

Parsons, Alexander Eames, Northamptonshire Union Bank, Limited, Thrapston

Payne, Henry, Messrs. Vallance and Payne, Sittingbourne and Milton Bank, Sittingbourne

Payne, John William, London & County Banking Co., Limited, Tunbridge

Pearce, Charles Francis, London & County Banking Company, Limited, Brentford

Pearse, William Henry Dunning, London and Westminster Bank, Limited, 214, High Holborn, W.C.

Peel, Robert, Manchester and Liverpool District Banking Co, Limited, Spring Gardens, Manchester

Pennyfeather, William, London and County Banking Co., Richmond, Surrey

Perry, John, Stuckey's Banking Co., Crewkerne, Somerset

Petherick, John, Bristol and West of England Bank, Limited, Torquay

Philpot, Charles Dawson, London and Provincial Bank, Limited, 8, Sussex Place, Queen's Gate, S.W.

Pickering, Thomas, Bank of Bolton, Atherton, near Manchester

Pigott, Charles, London & County Banking Co., Limited, Chertsey

Pike, George, Capital and Counties Bank, Swindon, Wilts

Place, John, Nottingham & Notts Banking Co., Mansfield

Plante, Alfred Pope, London and Westminster Bank, Limited, 214, High Holborn, W.C.

Platt, William Henry, Manchester and Liverpool District Bank, Stoke-on-Trent

Pledger, William, Messrs. J. Mortlock & Co., Ely

Polkinghorne, William, Messrs. Clymo, Treffry & Co., Liskeard, Cornwall

Porter, Joseph Lincoln, National Provincial Bank of England, Limited, Birmingham

Porter, William, Leeds and County Bank, Limited, Goole

Potter, John Charles, Messrs. Brooks & Co., 81, Lombard Street, E.C.

Potter, Robert, Halifax Joint Stock Banking Co., Limited, Huddersfield

Powell, Edward, London & Westminster Bank, Limited, 214, High Holborn, W.C.

Powell, Thomas Bowes, Messrs. Wilkins & Co., Aberdare

Pownall, Henry William, London and County Banking Co., Limited, 48, Sussex Place, Queen's Gate, S.W.

Precey, William, Staffordshire Joint Stock Bank, Limited, Walsall

Prentice, John Frederic, Messrs. Gurneys & Co., Norwich

Pritchard, Hugh Foulkes, National Provincial Bank of England, Limited, Denbigh

Pryer, William Henry Isaac, National Provincial Bank of England, Limited, Okehampton

Pugh, John Oliver, North and South Wales Bank, Limited, Corwen

Pughe, William, National Provincial Bank of England, Limited, Bangor

Radclyffe, Edward Revell James, Messrs. Coutts & Co., 59, Strand, W.C.

Rawles, Walter Frederick, Messrs. Martin & Co., 68, Lombard Street, E.C.

Rawlins, Joseph, The Capital and Counties Bank, Limited, Warminster

Raymond, Cuthbert, National Provincial Bank of England, Limited, Worcester

Read, William Farrow, Messrs. Smith, Ellison & Co., Great Grimsby

Reaney, Robert Agnew, Messrs. Veasey, Desborough & Co., Huntingdon

Reed, Thomas, City Bank, Limited, 219, Edgware Road, W.

Rees, Griffith Robert, Messrs. Williams and Co., Carnarvon

Revis, George Wilkinson, London & Westminster Bank, Limited, 41, Lothbury, E.C.

Richards, Thomas George, London and County Banking Co., Limited, Blackheath, S.E.

Rigge, William Edward John, London and County Banking Co., Limited, Uxbridge

Ringer, Horace Stewart, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E.C.

Robarts, Harvey Boase, Devon and Cornwall Banking Co., Dawlish

Robbins, John Randolph, London & County Banking Co., Limited, 21, Lombard Street, E.C.

Roberts, Edwin, National Provincial Bank of England, Limited, Newcastle-on-Tyne

Roberts, William Rees, North and South Wales Bank, Limited, Llanfyllin, Montgomeryshire

Robinson, John Chesworth, Messrs. Williams & Co., Old Bank, Chester

Robinson, John George, National Provincial Bank of England, Limited, Southampton

Robinson, Joseph Bill, Manchester and Liverpool District Banking Co., Limited, Mossley

Roper, Herbert Johnston, The Birmingham, Dudley, and District Banking Co., Hereford

Rose, Charles, Bank of England, E.C.

Rowland, Richard Henry, Manchester and Liverpool District Banking Co., Limited, Accrington

Rowland, William Samuel, Staffordshire Joint Stock Bank, Limited, Wolverhampton

Rowlands, John Rowland, National Provincial Bank of England, Limited, Tenby

Rowlett, Rowland Richard, Union Bank of London, 2, Princes Street, E.C.

Russell, Thomas James, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Sandison, John, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Sansom, Henry John, Messrs. Sparrow, Tufnell & Co., Essex Bank, Maldon

Saul, Joseph, Messrs. Gillett and Co., Banbury

Say, Arthur, Messrs. Wilkins & Co., Haverfordwest.

Schneider, George, London and County Bank, Windsor

Scholes, Christopher Balman, Bank of Bolton, Farnworth

Scholes, Thomas Aldcroft, The Manchester Joint Stock Bank, Limited, 79, King Street, Manchester

Seaman, Henry Garwood, Manchester and Salford Bank, Manchester

Searle, Alan, Wilts and Dorset Banking Co., Sherborne

Searle, Frank Howard, Messrs. Barclay & Co., 54, Lombard Street, E.C.

Sermon, Frederick Jeremiah, National Provincial Bank of England, Limited, Berkeley, Gloucestershire

Seyde, Frederick, Staffordshire Joint Stock Bank, Limited, Wednesbury

Seymour, Frederick, Alliance Bank, Limited, Bartholomew Lane, E.C.

Shanahan, Patrick Joseph, National Bank, South Mall, Cork

Sharpe, William Henry, Stamford, Spalding and Boston Banking Co., Limited, Peterborough

Shaw, Samuel William, London and County Banking Co., Limited, 21, Lombard Street, E.C.

Shepherd, Thomas Fairbrother, Stamford, Spalding and Boston Banking Co., Limited, Oundle

Sherring, Charles Henry, London and County Banking Co., Limited, 324, High Holborn, W.C.

Shillitoe, John Allcard, 62, York Terrace, Regent's Park, N.W.

Shipley, George Hopkin, Bank of Liverpool, Limited, Heywood's Branch, Liverpool

Shotter, Hamilton Bearns, London and Westminster Bank, 41, Lothbury, E.C.

Shout, William Cooley, Stamford, Spalding and Boston Banking Co., Limited, Northampton

Simpkins, Robert John, Cotterill, Bristol and West of England Bank, Limited, Newport, Monmouthshire

Simpson, Archibald Forbes, The Capital and Counties Bank, Limited, 39, Threadneedle Street, E.C.

Simpson, James Wainhouse, Bank of Australasia, Melbourne, Victoria

Simpson, Robert Erskine, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Smith, Frederick Hamilton, Lancashire and Yorkshire Bank, Limited, 61, Shudehill, Manchester

Smith, Henry, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Smith, John George, Messrs. Glyn & Co., 67, Lombard Street, E.C.

Smith, Niemann, Messrs. Coutts & Co., 59, Strand, W.C.
Smith, William King, London and Westminster Bank, Limited, 214, High Holborn, W.C.
Smith, Thomas George, National Provincial Bank of England, Limited, Bridgend, Glamorgan
Smith, Thomas Jabez, Manchester and Liverpool District Banking Co., Limited, Cheadle, Staffordshire
Smitton, William, Union Bank of Scotland, Wick, N.B.
Snelling, James William, The Capital and Counties Bank, Limited, Winchester
Snow, John, City Bank, Limited, Ludgate Hill
Soars, Fred., Messrs. Fox Bros., Fowler & Co., Weston-super-Mare
Somers, Walter Bell, Royal Bank of Scotland, 124, Bishopsgate Street Within, E.C.
†Sowdon, Henry Lucy, Birmingham Banking Co., Limited, Moreton-in-Marsh
Sowels, William Edward, Messrs. Gurneys & Co., Thetford, Norfolk
Sparling, Hart Theobald, London and Westminster Bank, Limited, 1, St. James's Square, S.W.
Spearing, John, jun., Messrs. Hall, Bevan & Co., Brighton
Sprague, Francis Stephen, Devon and Cornwall Banking Co., Crediton
Spurrier, Thomas, Messrs. Martin & Co., 68, Lombard Street, E.C.
Stephens, Marcus Appelles, National Provincial Bank of England, Limited, Cardigan
Stevenson, George Thomas, General Credit and Discount Co., Limited, 7, Lothbury, E.C.
Stockil, Robert, Yorkshire Banking Co., Limited, Doncaster
Stokes, Henry, Wilts and Dorset Banking Co., Christchurch
Sutherland, James, London Chartered Bank of Australia, 88, Cannon Street, E.C.
Swallow, John Henry, Halifax Joint Stock Banking Co., Limited, Halifax
Swift, James, Barnsley Banking Co., Barnsley
Symonds, Fred Giles, Messrs. R. & R. Williams & Co., Wareham, Dorset

Taaffe, Francis, Bank of Ireland, Roscommon
Taylor, John Thomas H., Manchester and County Bank, Lytham Street, Blackpool
Taylor, William, Manchester and Liverpool District Banking Co., Limited. Stone, Staffordshire
Thirlby, John Farmer, Crompton & Evans' Union Bank, Derby
Thomas, Frederick Charles, London and Westminster Bank, Limited, 217, Strand, W.C.
Thomas, Lewis Gwynne, North and South Wales Bank, Limited, Ruthin
Tomkins, William Henry, London Chartered Bank of Australia, 88, Cannon Street, E.C.
Thoms, Henry, London and County Banking Co., Limited, Westow Hill, Upper Norwood, S.E.
Thomson, George, Royal Bank of Scotland. Partick
Tresilian, Charles Allman, The Munster Bank, Limited, Dame Street, Dublin
Treweek, James, National Provincial Bank of England, Limited, Crickhowell
Tucker, Ambrose, Wilts and Dorset Banking Co., Salisbury
Tuckfield, Joseph, Leicester Banking Co., Ashby-de-la-Zouch
Tupholme, Timothy, Messrs. Garfit, Claypon & Co., Spilsby
Tuttiett, John Henry, National Provincial Bank of England, Limited, Birmingham
Twining, Samuel, Messrs. Richard Twining and Co., 215, Strand, W.C.

Voss, William George, Standard Bank of South Africa, Hope Town, South Africa

Walker, William Henry, Manchester and and County Bank, Limited, King Street, Manchester
Walker, Thompson, Bank of South Australia, 54, Old Broad Street
Walker, William, Union Bank of London. Chancery Lane, W.C.
Wallace, George, Royal Bank of Scotland. Cupar, Fife, N.B.
Wallis, Alfred George, Bank of British North America, 3, Clement's Lane. E.C.
Walter, Walter Moss, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Ward, William Henry, County of Gloucester Bank, Burford, Oxon

* Life Associate. † Holder of the Certificate of the Institute.

Ward, John, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Wardley, John Owen, Messrs. Samuel Smith & Co., Newark-on-Trent
Warr, Daniel, Messrs. Richard Twining and Co., 215, Strand, W.C.
Waters, Charles, London and County Banking Co., Limited, 193, Caledonian Road, N.
Water, Frederick, Birmingham, Dudley and District Bank, Nuneaton
Watkins, Charles William, National Provincial Bank of England, Limited, Rugeley
Watson, Hugh, Provincial Bank of Ireland, Dungannon, Co. Tyrone
Watson, William Milne, National Provincial Bank of England, Limited, Landport, Hants
Wawn, William, National Provincial Bank of England, Limited, Darlington
Weaver, Charles, Somersetshire Bank, Chard
Webber, Edwin, National Provincial Bank of England, Limited, Newport, Monmouthshire
Weedon, Ernest, London and County Banking Co., Limited, Banbury
Weight, James William, 2, Copthall Buildings, Moorgate Street, E.C.
Wells, James, National Provincial Bank of England, Limited, Llandudno.
Whaite, Frederic, London and Provincial Bank, Limited, Eye, Suffolk
Whelen, Thomas Laws, Union Bank of London, 2, Princes Street, E.C.
White, Cornelius Chatham, Manchester and and Salford Bank, Limited, St. Helen's
White, Henry John, Messrs. Roberts, Lubbock & Co., 15, Lombard Street, E.C.
Whittle, Francis, Union Bank of London, Chancery Lane, W.C.
Wilkinson, John William, Lloyds' Banking Co., Limited, High Street, Birmingham
Wilkinson, Thomas Falkiner, National Bank, Headford, Co. Galway
Williams, Griffith. North-South Wales Bank, Llangollen
Williams, Henry Lacon, Worcester City and County Banking Co., Limited, Worcester
Williams, John, Bucks and Oxon. Union Bank, Limited, Aylesbury
Williams, Richard, County of Stafford Bank, Wolverhampton
Williams, Richard Derbin, London, Chartered Bank of Australia, Melbourne, Victoria
Williams, Thomas, National Provincial Bank of England, Dolgelly
Williams, William, National Provincial Bank of England, Limited, Bute Docks, Cardiff
*Wilshin, John, the Capital and Counties Bank, Limited, Devizes
Wilson, Charles, Wilts and Dorset Banking Co., Bridport
Windle, Christopher Henry, Bank of England, E.C.
Wise, Daniel Richard, City Bank, Limited, 219, Edgware Road, W.
Wood, William, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Woodcock, Frank Cleaver, London and Provincial Bank, Sussex Place, Queen's Gate, S.W.
Woollacott, Edward, London and Westminster Bank, Limited, 1, St. James's Square, S.W.
Wordsworth, John Edward, Sheffield Union Banking Co., Rotherham
Wright, Alfred, London and County Banking Co., Limited, Beckenham
Wright, Henry P., Messrs. Gurneys & Co., East Dereham
Wyatt, Herman Richard, London and County Banking Co., Limited, 112, Aldersgate Street, E.C.

Yorke, Richard Philip, Messrs. Alexander and Co., Hadleigh, Suffolk
Young, Meaburn Staniland, Stamford, Spalding and Boston Banking Co., Limited, Stamford
Young, William Donglass, London and Provincial Bank, Surbiton

TOTAL NUMBER OF ASSOCIATES, 549.

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* Life Associate.

LIST OF ORDINARY MEMBERS.

Abbatt, Frank, Lancaster Banking Co. Preston

Abbott, Charles Alfred Ernest, Stamford, Spalding, and Boston Banking Co. Limited, Boston

Abbott, George Edward, Stamford, Spalding, and Boston Banking Co., Limited, Boston

Abraham, Richard Slingsby, Bank of New Zealand, Bulls, Wanganui, N.Z.

Absell, James, Messrs. Barclay & Co., 54, Lombard Street, E.C.

Acason, William, Messrs. Fox, Bros., Fowler & Co., Ilfracombe

Adam, Æneas, Bank of England, E.C.

Adams, William, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.

Addis, Charles Stewart, Hong Kong and Shanghai Banking Corporation, 31, Lombard Street, E.C.

Adye, Algernon Douglas, The Capital and Counties Bank, Limited, 39, Threadneedle Street, E.C.

Alexander, Charles Henry, Messrs. Gurneys & Co., Great Yarmouth

Allcock, Arthur John, London and South Western Bank, Limited, 7, Fenchurch Street, E.C.

Allen, Edward John, Bank of New Zealand, Opunaki, Taranaki, New Zealand

Allwright, Henry, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Anderson, Arthur, Wilts and Dorset Banking Co., Salisbury

Anderson, Joseph, Chartered Bank of India, Australia and China, Hatton Court, E.C.

Andrews, James, jun., Messrs. R. & R. Williams & Co., Dorsetshire Bank, Swanage

Armstrong, William Everard, Birmingham, Dudley and District Banking Company, Limited, West Bromwich

Arnold, Percy, Colonial Bank of New Zealand, 13, Moorgate Street, E.C.

Ascough, James Christopher, Messrs. Peacock, Handly & Co., Sleaford

Ashworth, James Robert, Manchester Joint Stock Bank, Swan Street, Manchester

Ayers, John Charles, National Provincial Bank of England, Limited, Great Yarmouth

Bagnall, Joseph Wood, Manchester and Liverpool District Banking Co., Limited, Cheadle, Staffordshire

Baguley, Matthew, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester

Bailey, George Miles, London and South Western Bank, Limited, High Street, Peckham, S.E.

Baker, Frederick William, London and County Banking Co., Limited, Bedford

Baker, George, Messrs. Pritchard, Nicholas & Co., Broseley

Baker, John Arthur, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Ballantyne, James, care of G. D. Ballantyne Messrs. Sanderson, Murray & Co., 2, Gresham Buildings, Basinghall Street, E.C.

Bamford, jun., George, Parr's Banking Co., Macclesfield

Barclay, Alexander, London and South Western Bank, Limited, High Street, Forest Hill, S.E.

Barlow, William, Manchester and County Bank, Hotel Street, Bolton

Barnard, Arthur Maynard, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Barnes, Alfred, Bank of New Zealand, Wanganui, New Zealand

Barnes, Thomas Jackson, Stamford, Spalding and Boston Banking Co., Limited, Peterborough

Barnwell, Richard, Union Bank of London, Charing Cross, S.W.

Barrelet, Edward, Messrs. Aynard & Rüffer, 39, Lombard Street, E.C.

Barthorpe, Fred. James, London and County Banking Co., 21, Lombard Street, E.C.

Barton, William Edward, Bank of New Zealand, Wanganui, N.Z.

Bastable, John Daniel, City Bank, Limited, 219, & 221, Edgeware Road, W.

Bates, Arthur Ward, London and South Western Bank, Limited, Putney

Baxter, Alexander Burt, Australian Joint Stock Bank, 18, King William Street, E.C.

Baxter, James, Bank of New Zealand, 1, Queen Victoria Street, E.C.

Bean, George, Union Bank of Birmingham, Limited, Waterloo Street, Birmingham

Beavis, John William, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Beddy, Walter Henry, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
Beecheno, Charles James, Stamford, Spalding and Boston Banking Co., Limited, Lincoln
Beecroft, Sidney Charles, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Beesley, Henry, Moore & Robinsons' Notts Banking Co., Limited, Wirksworth
Beevers, Joseph William, National Provincial Bank of England, Limited, Leeds
Bell, James, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
Bell, Andrew Agnew, Messrs. Brooks and Co., 81, Lombard Street, E.C.
Bennett, William Henry Eustace, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Best, Thomas, 21, Durham Road, Sheffield
Best, Robt. Valentine, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Bevan, Algernon Beckford, Messrs. Oakes, Bevan & Co., Bury St. Edmunds
Bidgood, William Ebenezer, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Bierer, Auguste, Messrs. D. Mayer, 7, East India Avenue, E C.
Billings, Daniel, London and County Banking Co., Hertford
Bird, Samuel Alexander, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Bird, William, Messrs. Alexanders & Co., Ipswich
Bishop, Winslow, London & County Banking Co., Limited, Newport, Isle of Wight
Blackburn, Edwin, National and Provincial Bank of England, Limited, Leeds
Blades, Sherriff, Manchester and Liverpool District Banking Co., Limited, Leek, Staffordshire
Blake, Charles Edwin, London and County Banking Co., Limited, Deptford, S.E.
Blake, James, London Joint Stock Bank, 28, Borough High Street, S.E.
Blomfield, Charles Edward, London and County Banking Co., Limited, High Street, Kensington, W.
Bolling, Charles Francis Bird, International Bank of London, 113, Cannon Street, E.C.
Borlase, Charles Augustus Moyle, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Bourne, Samuel, Manchester and Liverpool District Bank, Crewe
Booth, John, Glasllwch House, Stowhill, Newport (Mon.)
Bowen, Edward Palmer, Worcester City and County Banking Co., Limited, Leominster
Bower, Horace Wharton, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Boyer, Herbert Henry, Bank of England, E.C.
Bradford, Archibald Campbell, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Bradley, James John, Messrs. Coutts & Co., 59, Strand, W.C.
Brand, Charles James, National Provincial Bank of England, Limited, Manchester
Bremner, Horace, London and Westminster Bank, Limited, 217, Strand, W.C.
Brewer, William, London and South Western Bank, Limited, Park Street, Camden Town, N.W.
Bridge, Stephen Bourne, London and County Banking Co., Limited, Hammersmith
Bristow, Edward Alexander, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Brodie, Charles Bertram, Messrs. Brodie & Co., Colombo, Ceylon
Brown, Alfred Henry, Messrs. Sharples, Tuke & Co., Luton
Brown, Charles Farnell, London and County Banking Co., Limited, Sittingbourne
Brown, Percy William, Royal Bank of Scotland, 124, Bishopsgate Street, Within, E.C.
Brown, Robert Webster, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Brown, Walter Edward, London and County Banking Co., Limited, 111, New Oxford Street, W.
Brows, Hugh Edward, London & Provincial Bank, 163, High Street, Stoke Newington
Bryan, Robert Peach, Stamford, Spalding and Boston Banking Co., Limited, Grantham
Bull, James Willis, 67, Angell Road, Brixton, S.W.
Bullivant, Charles William, Staffordshire Joint Stock Bank, Limited, Cannock
Burnet, John Blain, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Burwash, John David, London and Provincial Bank, 163, High Street, Stoke Newington
Busby, Ernest, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.

Bushell, Alline, Birmingham, Dudley and District Banking Co., Limited, Hay

Butler, Arthur, Wilts and Dorset Banking Co., Salisbury

Cadle, Henry, National and Provincial Bank of England, Limited, Cardiff

Calf, William, City Bank, Limited, 159 & 160, Tottenham Court Road, W.

Calver, John, Messrs. Gurneys & Co., Bungay

Campbell, John, 21, Abbey Grove, St. George's Road, Bolton

Card, Arthur William, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Carpenter, Robert Arthur, London and County Banking Co., 21, Lombard Street, E.C.

Carr, George, Consolidated Bank, Limited, 52, Threadneedle Street, E.C.

Carruthers, William, London and Provincial Bank, 7, Bank Buildings, Lothbury, E.C.

Cartwright, John, Manchester and Liverpool District Banking Co., Limited, Leek, Staffordshire

Cassella, Carlo, Messrs. Templeton, Sons & Co., 117 & 118, Leadenhall Street, E.C.

Castle, James, London and County Bank, Lewes

Caverhill, Thomas Hensman, Bank of New Zealand, Palmerston North, N.Z.

Chalklen, Frederick George William, Messrs. Richard Twining & Co., 215, Strand, W.C.

Chamberlain, Herbert Alfred, National Provincial Bank of England, Limited, Birmingham

Chamberlain, Robert Edward, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Chambers, Charles, National Provincial Bank of England, Limited, 8, Parliament Street, Gloucester

Chambers, James, London and County Banking Co., Limited, Luton

Chandler, Alfred Benjamin, National Provincial Bank of England, Limited, Shrewsbury

Chandler, Lewin John, Messrs. Henry S. King & Co., 65, Cornhill, E.C.

Charlton, Charles James, Stamford, Spalding and Boston Banking Co., Limited, Stamford

Chase, William Burrell, National Provincial Bank of England, Limited, Stone, Staffs.

Cherry, Albert Henry, Manchester and Liverpool District Banking Co., Stafford

Chipper, Percy, City Bank, Limited, 219 & 221, Edgware Road, W.

Chubb, Morley William, Bank of England, E.C.

Clarke, Frederick William, London and County Banking Co., Limited, Greenwich, S.E.

Clarkson, William, National Provincial Bank of England, Limited, Leeds

Clay, Henry, Bradford Old Bank, Limited, Bradford, York

Clegg, Edwin Asheton, London and County Banking Co., Limited, Petersfield

Clench, Henry Spurway, London & County Banking Co., Limited, Abingdon

Clutten, William, Messrs. Gurneys & Co., Bungay

Cock, George Thomas, National Provincial Bank of England, Limited, Norwich

Cockburn, Alexander, Ulster Bank, Castlerea, Roscommon, Ireland

Cockell, Walter, London and County Banking Co., Limited, Hastings

Coe, Walter John, Bank of England, E.C.

Colenutt, Fabian, National Provincial Bank of England, Limited, Portsea

Colley, Robert James, Staffordshire Joint-Stock Bank, Wolverhampton

Collins, Francis Albert, National Provincial Bank of England, Stokesley, York

Collins, Henry Wilfred, London and Provincial Bank, Limited, 7, Bank Buildings, Lothbury, E.C.

Collins, Oliver, National Provincial Bank of England, Limited, Southsea

Colwell, Alfred, German Bank of London, Limited, Bartholomew Lane, E.C.

Conley, Hugh, Cumberland Union Banking Co., Limited, Haltwistle

Constable, Henry, London and County Banking Co., Limited, Eastbourne

Constable, John Thomas, Anglo-Foreign Banking Co., 2, Bishopsgate Street Within, E.C.

Cook Henry Tinney Hillersdon, Wilts and Dorset Banking Co., Salisbury

Cooke, Joseph Lawrence, 7, Beresford Road, Highbury New Park, N.

Cooke, Robert Charles Mailes, National Provincial Bank of England, Limited, Barnard Castle

Cookson, Joshua, Yorkshire Banking Co., Boar Lane, Leeds

Coombs, Joseph, Messrs. Sparrow, Tufnell & Co., Rochford

Cosens, William, London and County Banking Co., Limited, Hertford

Coxon, Ernest James, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E.C.
Cracknell, Thomas George, Old Bank, Rochester
Craine, George, Adelphi Bank, Limited, Liverpool
Creedy, Robert Henry, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Cressall, Frederick, London and County Banking Co., Limited, Cowes, Isle of Wight
Cross, Edward William, jun., Messrs. Eliot, Pearce & Co., Bournemouth
Cross, John Wenn, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Croucher, William, General Credit & Discount Co., Limited, 7, Lothbury, E.C.
Crow, John Garton, City Bank, Limited, 159 & 160, Tottenham Court Road, W.
Crowe, David, Manchester and Salford Bank, Mosley Street, Manchester
Crowley, Thomas Crichton, London and Yorkshire Bank, Limited, 7, Drapers' Gardens, E.C.
Crump, Ernest Compson, London and South Western Bank, Limited, Westow Hill, Upper Norwood, S.E.
Cruttenden, Alfred, London and County Banking Co., Limited, Deptford, S.E.
Cumberland, Arthur George, Messrs. T. and T. T. Paget, Leicester Bank, Leicester
Curtis, Edwin James, Messrs. Fuller, Banbury & Co., 77, Lombard Street, E.C.

Dale, Arthur Henry Plomer, London and South Western Bank, Limited, Peckham, S.E.
Dale, John Brodrick, Messrs. Dale, Young & Co., South Shields
Dartnell, George Edward, Wilts and Dorset Banking Co., Salisbury
Davenport, William, Birmingham Banking Co., Bennett's Hill, Birmingham
Davidge, Frank Caspar, Chartered Bank of India, Australia and China, Hatton Court, E.C.
Davies, Charles William, Lloyd's Banking Co., Limited, Great Bridge
Davies, Morris, North and South Wales Bank, Limited, Llandiloes, Montgomeryshire
Davies, Valentine Charles, Messrs. Robarts, Lubbock & Co., 15, Lombard Street, E.C.
Davies, William, National Provincial Bank of England, Limited, London Street, Norwich
Davis, Allen Kennard, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Davis, Clifford, London and South Western Bank, Limited, Anerley Branch, S.E.
Davis, Edwin Neave, London & South Western Bank, Limited, Addiscombe, S.E.
Davis, John William, Messrs. Barnetts & Co., 62, Lombard Street, E.C.
Day, James Branton, London and County Banking Co., Limited, 12, King Street West, Hammersmith
Dean, William Senior, Bank of England, E.C.
De la Cour, Edward John, Messrs. Oakes, Bevan & Co., Stowmarket, Suffolk
Denham, Arthur Henry, Manchester and County Bank, Limited, Preston
Dent, Joseph Henry, National Provincial Bank of England, Limited, Darlington
Denton, William, City Bank, Old Street Branch, Great Eastern Street, E.C.
Dester, John Bates, Bristol and West of England Bank, Limited, Bristol
Dickinson, Walter, Birmingham, Dudley & District Banking Co., Limited, Derby
Dillon, Malcolm, Mercantile Bank of Sydney, 158, Leadenhall Street, E.C.
Dodd, Walter Charles, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Dodds, John, Messrs. Williams & Co., Old Bank, Chester
Don, David, Bank of New Zealand, Wanganui, New Zealand
Doveton, George Taylor, London and County Bank, 21, Lombard Street, E.C.
Down, Henry Wyndham, London and South Western Bank, Limited, 137, Ladbroke Grove, W.
Downes, Arthur, London and County Banking Co., Limited, 3, Victoria Street, S.W.
Downie, George, Liverpool Commercial Bank, Liverpool
Driver, Charles William, National Provincial Bank of England, Limited, Tiverton
Drought, Albert Eyre, Bank of Ireland, Dublin
Druitt, Thomas Wyard, Union Bank of London, 2, Princes Street, E.C.
Drysdale, Alexander James Macgregor, Bank of New South Wales, 64, Old Broad Street, E.C.
Dunstall, William Harold, London and Westminster Bank, Limited, Stratford Place, W.
Dye, Walter, National Provincial Bank of England, Limited, Manchester
Dyer, Arthur Charles, National Provincial Bank of England, Limited, Manchester

Edgecombe, William Clatworthy Sewell, National Provincial Bank of England, Limited, Ipswich

Edger, John, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Eldred, Edward John Henry, National Provincial Bank of England, Limited, Norwich

Elkington, Fred, Messrs. Garfit, Claypon & Co., Boston

Elliott, Robert, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Ellis, Robert Henry, London and South Western Bank, Limited, Stepney

Elsmere, William, National Provincial Bank of England, Limited, Shrewsbury

Engelheart, Edward Ernest, London and County Banking Co., Limited, Hove, Brighton

Ensor, Samuel Harry, Birmingham, Dudley and District Banking Co., Limited, Birmingham

Etheridge, Edward John, London Joint Stock Bank, 5, Princes Street, E.C.

Evans, Arthur Treweek, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Evans, Rice, National Provincial Bank of England, Limited, Manchester

Evans, Richard, Manchester and County Bank, Limited, Manchester

Evans, William Walter, North and South Wales Bank, Limited, Knighton, Radnorshire

Evans, William Henry, Birmingham Banking Company, Limited, Stourbridge

Fagge, Edmund Lancelot, London and Provincial Bank, Limited, Rochester

Farhall, Maurice, London and County Banking Co., Limited, Dover

Fawcett, Albert, London and Yorkshire Bank, Limited, Barnsley

Ferris, Spencer Augustus James, London and South Western Bank, Limited, Bank Buildings, Wandsworth, S.W.

Fidgeon, William, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Findlay, Arthur, London and Yorkshire Bank, 7, Drapers' Gardens, E.C.

Finlay, William, Stamford, Spalding, and Boston Banking Co., Limited, Bourn

Finley, Henry Thomas Edward, Wilts and Dorset Banking Co., Wimborne

Fisher, Frederick, London and Westminster Bank, Limited, 214, High Holborn, W.C.

er, Gabriel, National Provincial Bank of England, Limited, Torrington

Fisher, Joseph Luke, Messrs. Smith, Payne, and Smiths, 1, Lombard Street, E.C.

Flavell, Francis George, London & County Banking Co., Limited, Huntingdon

Fletcher, Grant, Agra Bank, 38, Nicholas Lane, E.C.

Forbes, Henry, National Provincial Bank of England, Limited, Worcester

Forster, Martin, Bank of England, E.C.

Forth, F. J., Old Bank, Doncaster

Foster, Leonard, Burtchael, Stamford, Spalding, and Boston Bank, Peterborough

Foster, Edmund Alford, Wilts and Dorset Bank, Salisbury

Fox, John Howard, Messrs. Fox Bros., Fowler & Co., Wellington, Somerset

Foyster, Charles Napier, National Provincial Bank of England, Ipswich

Franks, James Maurice, Messrs. Bacon, Cobbold, and Co., Ipswich

Freeland, James, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Frith, George Dowdeswell, Lloyd's Banking Co., Limited, Stafford

Frith, William, London and Provincial Bank, Limited, Enfield, N.

Fulcher, George Pickernell, Worcester City and County Banking Co., Limited, Cheltenham

Gadd, John Harry, London and County Banking Co., Limited, Brighton

Gammidge, Henry, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.

Garden, Robert, London and Provincial Bank, Limited, 7, Bank Buildings, Lothbury, E.C.

Gardiner, A. E., London and Provincial Bank, 6, Commerce Terrace, Tottenham

Gardner, William George, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Gatley, James, Messrs. Barclay & Co., 54, Lombard Street, E.C.

Gaute, Edward Everett, Bank of England, E.C.

Gibbs, George Firmin, London and County Banking Co., Limited, St. Albans

Gibbs, William Robert Kington, Bank of New South Wales, 64, Old Broad Street, E.C.

Giblin, Norman Fred, Bank of New Zealand, Auckland, New Zealand

Gibson, Edward Paul, Swaledale and Wensleydale Banking Co., Masham, Yorks.

Gibson, James George, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.

Giles, Hammond, National Provincial Bank of England, Limited, Chester

Gilfillan, James, Chartered Mercantile Bank of India, London, and China, 65, Old Broad Street, E.C.

Gill, Charles Selby, London and County Banking Co., Limited, Hove, Brighton

Gillett, Charles Edward, Messrs. Gillett, Brothers & Co., 72, Lombard Street, E.C.

Glanville, William Henry, London and County Banking Company, Limited, 21, Lombard Street, E.C.

Godfrey, William Bulwer Hunt, Bank of England, E.C.

Goldsworth, David, Parr's Banking Co., St. Helen's, Lancashire

Goodban, Albert George, Messrs. Coutts & Co., 59, Strand, W.C.

Goodinge, George Thorp, London and South Western Bank, Limited, 7, Fenchurch Street, E.C.

Goody, Alfred Duncan, York City and County Bank, Harrowgate

Goward, Rowland Sydney, Stamford, Spalding, and Boston Banking Co., Limited, Leicester

Graham, Frederick, the Birmingham, Dudley, and District Banking Co., Limited, Wolverhampton

Grant, Charles, Messrs. Barclay & Co., 54, Lombard Street, E.C.

Grantham, Ernest Frederic, The Capital and Counties Bank, Limited, Hungerford

Granville, Arthur Richard, Messrs. Henry S. King & Co., 65, Cornhill, E.C.

Granville, William E. M., Chartered Bank of India, Australia, and China, Hatton Court, E.C.

Gray, Nelson Charles, Union Bank of London, Argyll Place, Regent Street, W.

Gray, Russell John, London and County Banking Co., Limited, Amherst Road, Hackney

Greaves, Walter, Sheffield Union Banking Co., Sheffield

Grieg, William Hutcheson, Land Mortgage Bank of India, Limited, 4, East India Avenue, E.C.

Gresswell, Charles, London & South Western Bank, Limited, Ottery St. Mary

Griffiths, Thomas Evans, Messrs. Wilkins & Co., Brecon Old Bank, Aberdare

Griffiths, William, Messrs. Wilkins & Co., Llanelly

Grigson, Thomas James, London and Provincial Bank, Limited, 7, Bank Buildings, Lothbury, E.C.

Grocott, Fred. Jno., Manchester and Liverpool District Banking Co., Sandbach, Cheshire

Gruchy, Thomas John de, Messrs. Abraham de Gruchy & Sons, Jersey

Gurner, Walter, Union Bank of London, Charing Cross, S.W.

Gurney, William Mollett, National Provincial Bank of England, Limited, Southsea

Gwynne, Kingsmill Thurston, National Provincial Bank of England, Limited, Bristol

Gywther, Frederick George, Union Bank of London, Argyll Place, Regent Street, W.

Hall, Henry Foljambe, Sheffield Union Bank, Sheffield

Hall, John Thomas, Messrs. Leatham, Tew, & Co., Wakefield

Hallett, Marmaduke James, National Provincial Bank of England, Limited, Norwich

Hamilton, Frederick Walker, Messrs. Henry S. King & Co., 45, Pall Mall, S.W.

Handcock, Alfred Hepburn, Wilts and Dorset Banking Co., Salisbury

Hanson, Edward, London and County Banking Co., Limited, Maldon, Essex

Harding, William John, London and County Banking Co., Limited, Greenwich, S.E.

Harlow, Edward, Messrs. J. and J. C. Wright and Co., Bankers, Nottingham

Harpour, Herbert Augustus, London and Westminster Bank, Limited, 217, Strand, W.C.

Harrington, Charles Tayler, London and County Banking Co., Limited, Kingston-on-Thames

Harris, Edward, Parr's Banking Co., Limited, 14, Cook Street, Liverpool

Harris, James Edward, London and Provincial Bank, Limited, Pembroke

Harrison, Alfred Wildon, Bank of New Zealand, Masterton, Wellington, New Zealand

Harrison, John Light, Yorkshire Banking Co., Limited, Bradford

Harrison, William Woodall, Wilts and Dorset Banking Co., Shaftesbury

Harvey, Cecil Allenby, London and County Banking Co., Limited, Windsor

Hatfield, Charles, London and Westminster Bank, Limited, 1, St. James's Square, S.W.

Havard, John Thomas, London and Provincial Bank, Limited, Pontypool

Hawken, George, Byrne, London and South Western Bank, Limited, Holloway, N.

Hawkins, Villiers Alwyn Cæsar, Hong Kong and Shanghai Banking Corporation, 31, Lombard Street, E.C.

Hawkins, Frederick Robert, Messrs. Melville, Evans, and Co, 75, Lombard Street, E.C.

Hawkins, William Isaac, London and County Banking Co., Limited, Ashford

Hayes, John Edey, Stamford, Spalding, and Boston Banking Co., Limited, Leicester

Hayman, Alfred George, London and South Western Bank, Limited, Finsbury Park, N.

Hayter, Albert, Messrs. Bacon, Cobbold, and Co., Ipswich

Hayward, Edward Hight, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Heathcote, William Charles, Bank of England, E.C.

Hebblethwaite. Walter, Staffordshire Joint Stock Bank, Limited, Walsall

Heginbotham, James, Manchester and County Bank, Limited, Stockport

Henderson, Robert Cron, Capital and Counties Bank, 39, Threadneedle Street, E.C.

Henley, Frank, Wilts and Dorset Banking Co., Clevedon

Henry, Thomas, National Provincial Bank of England, Limited, Wareham

Herbage, William, F.S.S., London and South Western Bank, Limited, 7, Fenchurch Street, E.C.

Herbert, Charles, Messrs. Glyn and Co., 67, Lombard Street, E.C.

Hewat, Grayhurst, Bank of New South Wales, 64, Old Broad Street, E.C.

Hewetson, George Henry, Messrs. Alexanders and Co., Ipswich

Hewitt, Edwin Massey, Manchester Joint Stock Bank, King Street, Manchester

Heys, Richard Theodore, Manchester and Salford Bank, Mosley Street, Manchester

Hill, Charles Pascoe Grenfell, Bank of England, E.C.

Hingeston, Edward Augustus, London and Provincial Bank, Limited, Lewisham Road, S.E.

Hippisley, George Wild, London and Westminster Bank, Limited, 4, Stratford Place, Oxford Street, W.

Hobbs, Henry, Messrs. Henry S. King and Co., 65, Cornhill, E.C.

Hoddinott, George Dethick, National Bank, 189, High Street, Camden Town, N.W.

Hodges, Edwin Howard, National Bank, 189, High Street, Camden Town, N.W.

Hodges, William George, Bank of England, E.C.

Hodgetts, William, London and Provincial Bank, Limited, Lewisham Road, S.E.

Hodgson, Nevil Large, London and County Banking Co., Limited, Hungerford

Hogg, Alfred Albert, London and County Banking Company, Limited, Hungerford

Hogg, James Gordon, Bank of New South Wales, Bulls, Wellington, New Zealand

Holbrook, Henry, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Holder, James, Marion Villa, Upper Addiscombe Road, Croydon

Holdsworth, Fred, Messrs. Leatham, Tew, and Co., Wakefield

Hollingsworth, Henry, London and South Western Bank, Limited, Upper Norwood, S.E.

Holmes, George Joseph, Wilts and Dorset Banking Co., Salisbury

Holyoake, William, Worcester City and County Banking Co, Limited, St. Andrews, Droitwich

Hopkins, Joseph, Town and County Bank, Keith, N.B.

Horner, Charles Hedley, National Provincial Bank of England, Limited, Darlington

Hornsby, Harry, Bank of British North America, Montreal

Horton, William Isaac, Parr's Leicestershire Banking Co., Leicester

Hoskins, Arthur Winslow, Birmingham, Dudley, and District Banking Co., Limited, Burslem

Howard, Frank, London and South Western Bank, Limited, 90 and 92, Bow Road, E.

Howie, John, National Bank of Liverpool, Limited, Great Charlotte Street, Liverpool

Hughes, Owen Lloyd, National Provincial Bank of England, Limited, Amlwch, Anglesey

Hughes, Richard, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Hughes, William Davies, Parr's Banking Co., Limited, Warrington

Hulton, Frederick Charles, Messrs. J. Backhouse & Co., Durham

Hunston, Samuel Frank, Birmingham Banking Co., Brierley Hill, Staffordshire

Hunt, William, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Hurdis, John Henry, Messrs. Barclay & Co., 54, Lombard Street, E.C.

Hurst, Harry Morland, London and Yorkshire Bank, Limited, Sheffield

Huson, Arthur, Union Bank of London, 2, Princes Street, E.C.

Huson, Charles, Union Bank of London, Holborn Circus, E.C.

Hyslop, William, London & County Banking Co, Limited, Petworth, Sussex

Inchbold, Robert, Barnsley Banking Company, Barnsley

Ingoldby, George Carter, Messrs. Peacock, Handley & Co., Sleaford

Jackson, Edwin, Cumberland Union Banking Company, Limited, Keswick

Jackson, Henry, The Leicestershire Banking Company, Limited, Melton Mowbray

Jackson, James, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Jackson, Samuel, Halifax Joint Stock Banking Company, Limited, Halifax

James, David Howell, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

James, Joseph Benjamin, National Provincial Bank of England, Limited, Newport, Mon.

Janion, Edwin Manifold, Chartered Bank of India, Australia and China, Hatton Court, E.C.

Jarrett, Sydney Herbert, London and South Western Bank, Limited, Park Street, Camden Town, N.W.

Jarvis, Charles William, Messrs. Garfit, Claypon, Garfits and Ingoldby, Spilsby

Jarvis, George Bernard, Anglo-Foreign Bank, 2, Bishopsgate Street, E.C.

Jeans, James William, National Provincial Bank of England, Limited, Peterborough

Jeffery, Thomas George, The Capital and Counties Bank, Limited, Ludgate Hill, E.C.

Jenaway, William Joseph, Stamford, Spalding and Boston Banking Company, Limited, Stamford

Jenkins, Charles Imray, Manchester and Salford Bank, Manchester

Jenkins, Evan, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Jenner, Ferenez Jansz, Messrs. Nathaniel Cohen & Co., Leadenhall Buildings, E.C.

Jermyn, Frederick Lubbock, London and South Western Bank, Limited, 403, Holloway Road, N.

Johnson, Edward Herbert, Messrs. Gurneys & Co., Norwich

Johnson, John Burlingham, National Provincial Bank of England, Limited, Llandudno

Johnson, Septimus, National Provincial Bank of England, Limited, Great Yarmouth

Johnson, William, Staffordshire Joint Stock Bank, Limited, Birmingham

Jones, Charles Henry, Messrs. Martin & Co., 68, Lombard Street, E.C.

Jones, David, National Bank of India, 39A, Threadneedle Street, E.C.

Jones, Frederic John George, London and County Banking Company, Limited, Hastings

Jones, Henry, (Dolgelly) National Provincial Bank of England, 112, Bishopsgate Street, E.C.

Jones, Humphrey, North and South Wales Bank, Limited, Four Crosses, Merionethshire

Jones, John Maurice, North and South Wales Bank, Limited, Liverpool

Jones, John Morris, North and South Wales Bank, Newtown, Montgomeryshire

Jones, Lewis William, National Bank of Wales, Tredegar (Mon.)

Jones, Shem, Chartered Bank of India, Australia and China, Hatton Court, E.C.

Jones, Sydney, National Provincial Bank of England, Limited, Clifton, Bristol

Jones, William, North and South Wales Bank, Limited, Carnarvon

Jones, William Henry, National Provincial Bank of England, Aberayron

Jones, William Julian, National Provincial Bank of England, Limited, Bala

Jones, William Thomas, Park House, West Bromwich

Jotcham, Thomas Moody, London and County Banking Co., Limited, Huntingdon

Kebbell, Edward, London and County Banking Co., Limited, Upper Street, Islington, N.

Kenrick, George Cranmer, Birmingham, Dudley and District Banking Co., Limited, Coventry

Kelway, Henry Richard, Messrs. Wilkins and Co., Old Bank, Aberdare

Kerr, John Hamilton, Sheffield Union Banking Company, Chesterfield

Kilner, John Herbert, Manchester and County Bank, Limited, Oldham

King, Donald, Messrs. Richard Twining & Co., 215, Strand, W.C.

Kingdon, William Sottridge, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E C.

Kingwell, Robert Webber, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Kinsman, Walter Brodie, Manchester and County Bank, Limited, Manchester
Kirkland, Robert, 11, Lord Street, Liverpool
Knott, William Frederick Bestland, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Kynoch, George Keith, London and South Western Bank, 90 & 92 Bow Road, E.

Laidler, Charles, National Provincial Bank of England, Limited, Darlington
Laing, David, Birmingham Banking Company, Limited, Bennett's Hill, Birmingham
Lamb, Edgar Edmonds, Bank of England, E.C.
Landour, Charles, 8, Portland Place, South Clapham, S.W.
Lang, Joseph Edward, Wilts and Dorset Banking Co., Bristol
Lanyon, Edwin, London and South Western Bank, Limited, 228, Kentish Town Road, N.W.
Larcombe, James Henry Reader, Bank of England, E.C.
Law, James Hooper, National Provincial Bank of England, Limited, Shaftesbury
Law, William Littlejohn, Bank of New South Wales, 64, Old Broad Street, E.C.
Lawrence, John, London and County Banking Company, Limited, Luton
Lawson, William, Manchester and Liverpool District Bank, Southport
Leaker, William Charles, Stuckey's Banking Co., Glastonbury
Leeds, Edward, Stamford, Spalding and Boston Banking Co., Limited, Spalding
Lees, Ebenezer, Antony, Staffordshire Joint Stock Bank, Limited, Birmingham
Leitch, James Michie, Standard Bank of British South Africa, Limited, 10, Clement's Lane, E.C.
Lenn, Henry, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Lewin, William John, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Lewis, Arthur Pollard, London and Provincial Bank, Limited, Ruthin, North Wales
Lewis, Daniel Lloyd, National Provincial Bank of England, Carmarthen
Lewis, John Spare, Messrs. Miles, Cave, Baillie & Co., Bristol
Liddle, John Alexander, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Lightfoot, John, Bradford Old Bank, Bradford
Lillingston, Claude, National Provincial Bank of England, Limited, 218, Upper Street, Islington, N.
Lindsay, Joseph Wilson, London & County Banking Co., Limited, Winchester
Lingard, George Edwin, Manchester Joint Stock Bank, High Street, Manchester
Liscombe, John, London and South Western Bank, Limited, 7, Fenchurch Street, E.C.
Livingstone, James, London and County Banking Co., Limited, 1, Connaught Street, Paddington, W.
Lloyd, William Hellings, National Provincial Bank of England, Limited, Tiverton
Loney, William, Howard's Place, Shelton, Stoke-on-Trent
Lord, James Alfred, Manchester and County Bank, Limited, Bacup
Lott, Junior, Edward Darby, Bank of England, E.C.
Lovelock, Edward Herbert, London and County Banking Co., Limited, Windsor
Lowe, George Herbert, Stamford, Spalding and Boston Banking Co., Peterborough
Lush, James Edmund, London and Westminster Bank, Limited, 4, Stratford Place, Oxford Street, W.
Lyon, Frederic George, London and County Banking Co., Limited, Hastings
Lyte, Alfred Owen, The Capital and Counties Bank, Limited, Winchester

Macara, Alexander, National Provincial Bank of England, Limited, Darlington
Macbean, Hew Arthur, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Macdonald, William Charles, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Macdowall, Walter James, Birmingham, Dudley and District Banking Co., Limited, Birmingham
Mackenzie, Mackie Donald Scobie, National Provincial Bank of England, Limited, Gateshead-on-Tyne
McCabe, Alexander John Murray, Capital and Counties Bank, Ventnor
McKie, Charles Frederick, Oriental Bank Corporation, 40, Threadneedle Street, E.C.

MacMahon, Frederick Henry, The National Bank, 13, Old Broad Street, E.C.
McMaster, William, Messrs. Bacon, Cobbold & Co., Woodbridge
McMinn, Robert Inglis, London & Westminster Bank, 41, Lothbury, E.C.
McNaught, John Kelly, Messrs. Henry S. King & Co., 65, Cornhill, E.C.
Mackie, Joseph, Bank of Africa, Limited, Port Elizabeth
Macphail, Charles Stuart, Bank of Africa, Limited, Port Elizabeth, Cape of Good Hope, South Africa
Madders, John Messenger, Birmingham and Midland Bank, Limited, New Street, Birmingham
Maher, Francis Edward, Munster Bank, Dungarvon
Mann, Robert, jun., Messrs. Mortlock and Co., Cambridge
Mann, William Charles, Messrs. J. Mortlock and Co., 15, Benet Street, Cambridge
Marman, Alfred Jameson, Birmingham, Dudley and District Banking Co., Limited, Birmingham
Marsh, John Herbert, Sheffield Union Banking Co, Sheffield
Marshall, Cecil William Sawyer, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Marshall, Charles, Stamford, Spalding and Boston Banking Co., Limited, Sleaford
Marshall, Frederick Charles, National Provincial Bank of England, Limited, 88, Cromwell Road, S.W.
Martin, John Beecham, Manchester and Liverpool District Banking Company, Limited, Spring Gardens, Manchester
Martin, Philip George, Messrs. Brooks and Co., 81, Lombard Street, E.C.
Martin, Robert, Brearley, Manchester and County Bank, Limited, Manchester
Martyn, James Frederick, The Helston and District Bank, Helston, Cornwall
Matthews, William Wynn, North & South Wales Bank, Limited, Carnarvon
Mathieson, James Webster, Bank of New Zealand, Wanganui, New Zealand
Maturin, Frederick Gray, British Linen Co. Bank, 41, Lombard Street, E.C.
Mayo, Samuel, National Provincial Bank of England, Limited, Deal
Meadows, Tom Sidney, London Joint Stock Bank, Tower Street
Medwin, Walter, London and County Banking Co., Limited, Newington Butts, S.E.
Menzie, John, Oriental Bank Corporation, 40, Threadneedle Street, E.C.
Mercer, John, The National Bank, 13, Old Broad Street, E.C.
Milburne, John George Curry, National Provincial Bank of England, Limited, Middlesborough
Miller, James Vincent, Messrs. Henry S. King and Co., 65, Cornhill, E.C.
Miller, Richard, Staffordshire Joint Stock Bank, Bilston
Miller, William Haig, 38, Lonsdale Square, Islington, N.
Milner, Christopher Shepherd, North and South Wales Bank, Limited, Rodney Branch, Oswestry, Salop
Mitchell, John Duncombe, London and County Banking Co., Limited, Kingston-on-Thames
Mitford, Cuthbert Henry, Bank of New Zealand, Auckland, New Zealand
Mobbs, William Shakespeare, Alliance Bank, Limited, Bartholomew Lane, E.C.
Monday, Henry, Union Bank of London, 2, Princes Street, E.C.
Montague, James, London and County Banking Co., Limited, High Street, Kensington, W.
Moore, Charles William, General Credit and Discount Co., Limited, 7, Lothbury, E.C.
Moore, George William, Hongkong and Shanghai Banking Corporation, 31, Lombard Street, E.C.
Moran, Jos. Thos. Patrick Moran, National Bank, Newbridge, Ireland
Morgan, Edward, North and South Wales Bank, Limited, Corwen
Morgan, Francis Charles, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Morris, Alexander, Colonial Bank of New Zealand, Dunedin, New Zealand
Morris, Edwin Charles, London and County Banking Co., Limited, Reading
Morris, William Thomas, Bucks and Oxon Union Bank, Limited, Thame
Moseley, Henry, Central Bank of London, Limited, 110, High Street, Whitechapel, E.
Moss, William, Union Bank of Manchester, Limited, Northwich
Mossop, John, London and South Western Bank, Limited, Wandsworth, S.W.
Mothersdale, John, National Provincial Bank of England, Limited, Shaftesbury
Mundy, George Bailey, Wilts and Dorset Banking Co., Warminster
Mundy, Frank, Wilts and Dorset Banking Co., Salisbury
Murray, Henry Petty Pilkington, National Provincial Bank of England, Limited, Bideford

Musgrave, Horace Gambier, The Capital and Counties Bank, Limited, Calne

Nash, Charles, Gloucestershire Banking Co., Limited, Newent

Nash, George Edwin, Gloucester Banking Co., Gloucester

Nash, William John, Messrs. Henry S. King and Co., 65, Cornhill, E.C.

Nelson, Robert Peel, Union Bank of London, 67, Bishop's Road, W.

Nevinson, Henry, Stamford, Spalding and Boston Banking Co., Limited, Uppingham

Newcomb, Ernest, London and County Bank, High Street, Kensington

Newcomb, Henry Mansfield, Worcester City and County Banking Co., Limited, Evesham

Newcomb, Henry Thomas, Messrs. C. de Murrietta and Co., 7, Adam's Court, E.C.

Newcomb, Walter, London and County Banking Co., Limited, Deptford, S.E.

Newill, George Ernest, Messrs. Beckett and Co., Old Bank, Leeds

Nicholls, Richard, National Provincial Bank of England, Limited, Okehampton, Devon

Nicholls, Thomas Henry, National Provincial Bank of England, Limited, Loftus, Yorkshire

Nichols, Joseph, Lloyd's Banking Co., Limited, Colmore Row, Birmingham

Nicholson, Joseph Collinson, Hongkong and Shanghai Banking Corporation, 31, Lombard Street, E.C.

Nicholson, William Augustus, Messrs. Gurneys and Co., Norwich

Nicklin, Edward, National Provincial Bank of England, Limited, Ipswich

Noakes, Edward James, Messrs. Glyn and Co., 67, Lombard Street, E.C.

Norris, George Augustus, National Bank, 12, Grosvenor Gardens, S.W.

Novis, Arthur Douglas, London and Provincial Bank, Limited, 6, Commerce Terrace, Tottenham, N.

Newmarch, John, London and County Bank, Canterbury

Nuttall, Thomas William, Union Bank of Manchester, Limited, Bolton

Ogg, Walter John, Messrs. Rocke, Eyton and Co., Old Bank, Shrewsbury

Osborne, Frank Combe, Union Bank of London, 2, Princes Street, E.C.

Owen, John Thomas, Burton, Uttoxeter and Ashbourne Union Bank, Burton-on-Trent

Owen Hugh, National Provincial Bank of England, Limited, Lampeter

Pace, Piercy John, Midland Banking Co., Limited, Nantwich

Pacy, John Gibson, Parr's Banking Co., Limited, 4, Standisgate, Wigan

Pappadakis, Demetrius, General Credit and Discount Co., Limited, 7, Lothbury, E.C.

Parker, Edward Marshall, Birmingham, Dudley and District Banking Co., Limited, Knighton, Radnorshire

Parkhouse, William Theodore, London and South Western Bank, Limited, Bermondsey, S.E.

Parris, William Richard, Messrs. Glyn and Co., 67, Lombard Street, E.C.

Parrott, Samuel, Land Mortgage Bank of India, Limited, 4, East India Avenue, E.C.

Parsons, Samuel Goodhind, Messrs. Miles, Cave, Baillie and Co., Bristol

Paterson, William, Standard Bank of British South Africa, Limited, 10, Clement's Lane, E.C.

Pawlett, Edmund, London and County Banking Co., Limited, Dorking

Payne, William, National Provincial Bank of England, Limited, Portsea

Peacock, John, Worcester City and County Banking Co., Limited, Ludlow

Pearmain, William Bowyer, Messrs. Barclay and Co., 54, Lombard Street, E.C.

Pears, Alfred, Stamford, Spalding and Boston Banking Co., Limited, Peterborough

Pearson, Henry, Union Bank of Manchester, Limited, Salford

Penfold, Harold, London and Westminster Bank, Limited, 41, Lothbury, E.C.

Penny, Edmund Beechworth, London and County Banking Co., Limited, Tunbridge

Percival, John Baron, Stamford, Spalding, and Boston Banking Co., Limited, Boston

Perkins, Edwin Walter, Alliance Bank, Limited, Bartholomew Lane, E.C.

Perks, Robert Bright, National Provincial Bank of England, Limited, Hanley

Perrott, Joseph Denston, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.

Phillips, Cecil Robert, London and Westminster Bank, 41, Lothbury, E.C.

Pickard, William Jasper, National Provincial Bank of England, Newport (Mon.)

Pike, Arthur Wellesley, Bank of England, E.C.
Platt, Robert Matthew, Messrs. Cunliffe, Brooks & Co., 92, King Street, Manchester
Plomer, George Daniel, London and South Western Bank, Limited, Wellington Road, St. John's Wood, N.W.
Pointon, Arthur, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Ponting, James Frederick, Wilts and Dorset Bank, Bradford-on-Avon
Porter, William, Messrs. Garfit, Claypon, and Co., Boston
Potter, Herbert, London and South Western Bank, Limited, 7, Fenchurch Street, E.C.
Powell, Henry, Worcester City and County Banking Co., Limited, Bromsgrove
†**Powell**, Thomas Sykes, Manchester and County Bank, Limited, Manchester
Pratt, Herbert Hinton, Lloyds' Bank Hanley
Prichard, Robert Moulton, National Provincial Bank of England, Limited, Newcastle-under-Lyme, Staffordshire
Pringle, John Thomas, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.
Proctor, Herbert Edmund, Staffordshire Joint Stock Bank, Limited, Bloxwich
Prytherch, John, London and Provincial Bank, Limited, Pontypridd
Pugh, James Rees, National Provincial Bank of England, Limited, Whitby
Pughe, George Frederick, London and County Bank, 52, Oxford Street, W.C.

Quelch, Francis William, London & County Banking Co., Limited, Epsom

Rabbeth, John Edward, Messrs. Coutts and Co., 59, Strand, W.C.
Ramsden, Arnold, Halifax Joint Stock Banking Company, Limited, Halifax
Ranson, Edward, London and County Banking Co., Limited, Leighton Buzzard
Rashley, Sidney Charles, National Provincial Bank of England, Newport, Isle of Wight
Ray, William David, jun., London and Westminster Bank, Limited, 41, Lothbury, E.C.
Read, James, London and County Banking Co., Limited, Pavilion Buildings, Brighton
Read, John, Messrs. Gurneys and Co., Ely
Read, William, Messrs. Gurneys, Birkbeck, and Co., Beccles
Redman, Prior William, London and South Western Bank, Limited, Peckham, S.E.
Reece, Walter, Manchester and Liverpool District Banking Co., Melbourne Street, Stalybridge
Reed, Edward George, National Provincial Bank of England, Limited, Blandford
Rees, Edward Lee, North and South Wales Bank, Limited, Portmadoc
Reeves, William, Lloyd's Banking Co., Limited, Colmore Row, Birmingham
Rey, Barthélemy Marc, 90, Rue d'Assas, Paris, France
Reynolds, Alfred Samuel Henry, Torraino Avenue, N.W.
Rhodes, William, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Richards, Samuel Havelock, Messrs. Wilkins and Co., Llanelly
Richards, William Lewis, Stamford, Spalding, and Boston Banking Co., Limited, Uppingham
Richards, William Richard, Messrs. Wilkins and Co., Brecon Old Bank, Cardigan
Richardson, George, Stuckey's Bank, Dorchester
Richardson, Henry, Messrs. Leatham, Tew, and Co., Wakefield
Rigg, Hugh Arthur, London and Westminster Bank, Limited, 1, St. James's Square, S.W.
Riley, James Arthur, London and Yorkshire Bank, Limited, Halifax
Roberts, David Thomas, National Provincial Bank of England, Leicester
Roberts, Edward Samuel, North and South Wales Bank, Limited, Everton Road, Liverpool
Roberts, Robert, North and South Wales Bank, Limited, Portmadoc
Robertson, Charles Henry, National Provincial Bank of England, Limited, Great Yarmouth
Robertson, Douglas Hardwicke, Bank of New Zealand, 1, Queen Victoria Street, E.C.
Robey, Josiah Gordon, National Provincial Bank of England, Limited, Ryde, Isle of Wight
Robinson, Frederic James, Messrs. Goslings and Sharp, 19, Fleet Street, E.C.
Robinson, Henry, Messrs. Leatham, Tew, and Co., Wakefield

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Robinson, Walter, Parr's Banking Company, Limited, Warrington
Robison, Gavin Fullerton, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Roe, Edwin, Manchester Joint Stock Bank, Chester Road, Manchester
Roe, John, London and Provincial Bank, Limited, Twickenham
Rogers. John, Lloyd's Banking Co., Limited, Whitchurch
Ronald, John Stewart, Messrs. Coutts and Co., 59, Strand, W.C.
Rose, Frank William, The Capital and Counties Bank, Limited, 39, Threadneedle Street, E.C.
Rose. John, Union Bank of London, Chancery Lane, W.C.
Rose, Percy John Hill, Messrs. Gurneys and Co., Thetford, Norfolk
Rouw, William Arthur, North and South Wales Bank, Limited, Llangollen
Rowett, Henry Lee, Hong Kong and Shanghai Banking Corporation, 31, Lombard Street, E.C.
Rowlands, Peter Henry, National Provincial Bank of England, Limited, Narberth
Ruegg, Louis Jesse, London and County Banking Co., Limited, Newington Butts, S.E.

Sabine, John, Union Bank of London, Chancery Lane, W.C.
Salmon, William Randall, London and County Banking Co., Limited, Deptford, S.E.
Sands, William Henry, Bank of Whitehaven, Limited, Whitehaven
Sanders, George, Bank of England, E.C.
Sanders, George, National Provincial Bank of England, Leeds
Sansom, Thomas Elliot, Chartered Bank of India, Australia, and China, Hatton Court, E.C.
Sargent, Cecil Grinstead Mead, Chartered Bank of India, Australia, and China, Hatton Court, Threadneedle Street, E.C.
Sargent, George, Messrs. Sparrow, Tufnell and Co., Essex Bank, Brentwood
Savage, Hugh, Bodafon, Bangor, North Wales
Schaefer, Carl Christian, Manchester Joint Stock Bank, 79, King Street, Manchester
Schofield, Robert, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Scholes, Charles, Messrs. Cunliffe, Brooks & Co., 92 King Street, Manchester
Schön, Herbert Reinhardt, London and County Banking Co., Limited, Hertford
Seddon, Sylvester, Manchester and County Bank, Limited, Bolton
Selby, Arthur Wallace, Messrs. Brooks and Co., 81, Lombard Street, E.C.
Selby, Leslie, London and County Banking Co., Limited, 48, Sussex Place, Queen's Gate, S.W.
Selves, Samuel Herbert, Mercantile International Bank, Limited, 5, Copthall Buildings, E.C.
Shand, Alex. Allen, Alliance Bank, Bartholomew Lane, E.C.
Shearer, Richard George, Colonial Bank of New Zealand, 13, Moorgate Street, E.C.
Sheldon, Ernest Harold, Parr's Banking Company, Southport
Sheppard, Edwin Francis, Manchester and County Bank, Limited, Manchester
Shilcock, Robert Munton, Stamford, Spalding and Boston Banking Co., Limited, Boston
Simpson, Alexander, Wilts and Dorset Bank, Salisbury
Simpson, Thomas, Messrs. Gurneys & Co., Stowmarket
Sinclaire, George Hutchinson, Bank of New Zealand, Wanganui, New Zealand
Singleton, Samuel, York Union Banking Co., Pocklington
Skinner, Edward George, London & County Banking Co., Limited, Romford
Skinner, Thomas Henry, Messrs. Peacock, Hanley & Co., Sleaford
Slade, Arthur Edgar, Parr's Banking Co., Southport
Smeeton, Arthur Butlin, London & County Banking Co., Limited, Midhurst
Smeeton, Robert Howe, Messrs. Lacy, Hartland, Woodbridge & Co., 60, West Smithfield, E.C.
Smethurst, Thomas, Manchester Joint Stock Bank, 79, King Street, Manchester
Smith, Alfred, Manchester and County Bank, Limited, Bolton
Smith, Algernon Morton, The National Bank of Wales, Limited, Bute Docks, Cardiff
Smith, Archer Wellen, London and South Western Bank, Holloway
Smith, Charles Woodman, Alliance Bank, Limited, Bartholomew Lane, E.C.
Smith, Edward Joseph, National Provincial Bank of England, Limited, Bristol
Smith, Frederick Brabant, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Smith, Francis Richardson, York City and County Bank, York

Smith, Graham, London and Yorkshire Bank, Sheffield
Smith, John Richard, National Provincial Bank of England, Limited, Ledbury
Smith, John William, London and Yorkshire Bank, Pudsey
Smith, James Thomas, Messrs. Williams & Co., Bangor
Smith, Robert Bewley, Capital and Counties Bank, Melksham, Wiltshire
Smith, Reginald Edwin, National Provincial Bank of England, Limited, Newport, Monmouthshire
Smith, R. Wordsworth, F.Z.S., London and Westminster Bank, Limited, 41, Lothbury, E.C.
Smith, William Edward, Messrs. Bosanquet, Salt & Co., 73, Lombard Street, E.C.
Smith, William Henry, York City and County Bank, Selby
Snell, Walter Thomas, London and South Western Bank, Limited, High Street, Highgate, N.
Southcombe, Lewis, Wilts and Dorset Banking Company, Bristol
Southern, John Wollaston, Messrs. Rocke, Eyton and Co., The Old Bank, Ludlow
Spencer, Louis, Sheffield Union Banking Co., Sheffield
Spong, Henry Brookes, Cheque Bank, Limited, 124, Cannon Street, E.C.
Spurgeon, George Hughes, Messrs. Sparrow, Tufnell and Co., Essex Bank, Chelmsford
Stanbury, Samuel Arthur, London and South Western Bank, Limited, Wimbledon
Stancomb, Theodore Murly, Stuckey's Banking Co , Crewkerne
Staniland, William, jun., Yorkshire Banking Company, Limited, Selby
Stanley, Frederick Ernest, London & South Western Bank, Limited, Holloway
Stebbings, George, Messrs. Gurneys & Co., Harleston, Norfolk
Steel, William Anderson, Bank of England, E.C.
Steele, T., Bank of New Zealand, Wanganui, New Zealand
Steevens. James, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Steiger, Albert Alexander de, Bank of England, E.C.
Stephen, Griffith John, North and South Wales Bank, Limited, Oswestry
Stephenson, William George, Manchester and Liverpool District Banking Co., Limited, Stafford
†Stevens, Francis Warburton, Messrs. Coutts & Co., 59, Strand, W.C.
Stevenson, George, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Stewart, Andrew, Royal Bank of Scotland, 124, Bishopsgate Street Within, E.C.
Stiles, Walter, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Stokes, Charles Berners, Worcester City and County Banking Co., Limited, Worcester
Stone, Frederick William, Union Bank of London, 2, Princes Street, E.C.
Stone, James Bell, London and County Banking Co., Limited, 3, Victoria Street, Westminster, S.W.
Storey, Reuben Robert, National Provincial Bank of England, Limited, Cardigan
Stott, Charles John, Messrs. Henty & Co., Horsham
Strachan, Andrew Duthie, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Strange, Robert Vardy, London and South Western Bank, 1, Anerley Road, S.E.
Stranger, James Hamlyn, Union Bank of Manchester, Limited, Farnworth
Strudwick, William Thomas, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Stuart, Edward Messer, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Stubberfield, James William, City Bank, Limited, Lowndes Terrace, Knightsbridge
Stubberfield, John Thomas, Chartered Mercantile Bank of India, London and China, 65, Old Broad Street, E.C.
Sutcliffe, John Arthur, Halifax Joint Stock Bank. Halifax
Swann, Charles William, Stamford, Spalding and Boston Banking Company, Limited, Grantham
Sydenham, John Arthur Aylmer, London and Westminster Bank, Limited, 41, Lothbury, E.C.
Syms, Frederick Hardy, London and County Banking Co., Limited, Dartford
Syms, George William, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.
Syms, John Edwin, Standard Bank of South Africa, Limited, 10, Clement's Lane, E.C.

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Talbot, Robert Tebbit, Bank of England, E.C.
Tarras, James Torrie, Messrs. Glyn & Co., 67, Lombard Street, E C.
Taylor, Andrew William, Manchester and Liverpool District Bank
Taylor, Clement, Union Bank of Manchester, Northwich, Cheshire
Taylor, James, Stuckey's Banking Co., Chard
Taylor, John, National Provincial Bank of England, Limited, Great Yarmouth
Taylor, Richard Cable, Birmingham, Dudley and District Banking Co., Limited, Birmingham
Taylor, Samuel, Sheffield and Rotherham Joint Stock Banking Co., Limited, Buxton
Taylor, Thomas, William, Nottingham Joint Stock Bank, Nottingham
Tealby, Abingdon Joseph, London and County Banking Co., Limited, 3, Victoria Street, Westminster, S.W.
Tegetmeier, Charles George, Bank of New Zealand, 1, Queen Victoria Street, E.C.
Terry, John Charles Hugh, London and Provincial Bank, Limited, The Triangle, Hackney, E.
Thackray, William Walker, Birmingham, Dudley and District Banking Co., Limited, Birmingham
Thomas, David, London and Provincial Bank, Builth
Thomas, Henry John, London and County Banking Co., Limited, Maidstone
Thomas, Jesse Lambly, London and Provincial Bank, Limited, 7, Bank Buildings, Lothbury, E.C.
Thomas, Leopold Ernest, London and Yorkshire Bank, Limited, 7, Draper's Gardens, E.C.
Thomas, Richard, National Provincial Bank of England, Limited, Chester
Thomas, Robert Richmond, North and South Wales Bank. Limited, 15, Great Charlotte Street, Liverpool
Thomas, Saville Bartlett, London and South Western Bank, Limited, Station Road, South Norwood, S.E.
Thomas, Thomas, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Thomas, William Roach, Messrs. Backhouse & Co., Middlesborough
Thompson, James Thurlow, National Provincial Bank of England, 112, Bishopsgate Street, E.C.
Thompson, John William, London & Yorkshire Banking Co., Limited, Doncaster
Thompson, Alexander Frederick, London and Westminster Bank, Limited, 4, Stratford Place, Oxford Street, W.
Thompson, Thomas, Birmingham Banking Co., Limited, Kidderminster
Tiley, Alexander Campbell, Imperial Ottoman Bank, 26, Throgmorton Street, E.C.
Timmis, Francis John, Union Bank of Birmingham, Birmingham
Timpson, George Ernest, Messrs. Martin & Co., 68, Lombard Street, E.C.
Titterton, Sidney, National Bank of Wales, Bute Docks, Cardiff
Tobitt, George Thomas, Union Bank of Australia, Limited, 1, Bank Buildings, Lothbury, E.C.
Tomkins, Francis Noel, London & Provincial Bank, High Street, Stoke Newington
Topple, Edwin Arthur, London and County Banking Co., Limited, Hove, Brighton
Tordiffe, Edward Wolferstan, London and County Banking Co., Limited, St. Albans
Trotter, George, Birmingham, Dudley and District Banking Co., Limited, Stafford
Trower, Albert George, London and South Western Bank, Limited, 7, Fenchurch Street, E.C.
Trower, William, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Trueman, Thomas Kelcey, Union Bank of London, 2, Princes Street, E.C.
Tuck, Cyril Claude, Messrs. Oakes, Bevan & Co., Stowmarket, Suffolk
Tuckfield, James Duncan, London and County Banking Co., Limited, Wantage, Berks
Tuft, Edward, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Turner, Arnold Knill, Stamford. Spalding & Boston Banking Co., Oakham
Turner, Francis, The Barton, Bideford, North Devon
Tweddle, William Goodfellow, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Tyson, William Benjamin, German Bank of London, Limited, Bartholomew Lane. E.C.

Upton, Gerald Francis, Lloyd's Banking Co., Limited, Burton-on-Trent
Upton, Walton James, London & County Banking Co., Limited, Chatham

Vincent, William, Messrs. Williams & Co. Old Bank, Chester

Wade, Alfred Ernest, National Provincial Bank of England, Limited, Stone, Staffordshire
Walker, Arthur George Richard, London and County Banking Co., Limited, High Street, Kensington, W.
Walker, A. W., London and South Western Bank, Park Street, Camden Town, N.W.
Walker, Reginald Graham, Manchester and Liverpool District Banking Co., Limited, Hanley
Walker, Tom, Yorkshire Banking Company, Limited, Doncaster
Wallace, George Wilson, Commercial Bank of Australia, 67, Cornhill, E.C.
Wallis, Alfred, London and South Western Bank, Limited, Bow
Walsh, William Robert, Staffordshire Joint Stock Bank, Limited, Birmingham
Wardleworth, Edward B., Manchester Joint Stock Bank, 79, King Street, Manchester
Watkin, David, Messrs. Smith, Payne and Smiths, 1, Lombard Street, E.C.
Watson, Francis Robinson, The Bank of Bolton, Limited, Farnworth
Watson, John William, London & Yorkshire Bank, Limited, Halifax
Watson, Thomas Henry, Sheffield Union Banking Co., Sheffield
Weatherhead, John, Birmingham, Dudley and District Banking Company, Limited, Bilston
Weaver, James Frederick, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Webb, Thomas Henry, London and South Western Bank, Limited, 7, Fenchurch Street, E.C.
Webster, Allan Arrott, Union Bank of London, Chancery Lane, W.C.
Webster, Frank Edward, Sheffield Union Bank, Moor Branch, Sheffield
Webster, John William, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Weekes, John Ernest, Messrs. Coutts & Co., 59, Strand, W.C.
Weeks, John, Messrs. Glyn & Co., 67, Lombard Street, E.C.
Welch, Alfred Edward, National Provincial Bank of England, Limited, Berkeley, Gloucestershire
Wendon, George Leonard, National Provincial Bank of England, Limited, Southampton
Were, James, Alliance Bank, Limited, Bartholomew Lane, E.C.
White, Alfred James, London and County Banking Co., Limited, Henrietta Street, Covent Garden, W.C.
White, Henry, Messrs. Smith, Payne & Co., 1, Lombard Street, E.C.
White, Hilton Middleton, Union Bank of London, Argyll Place, Regent Street, W.
White, Robert, Manchester and Liverpool District Banking Co., Limited, Spring Gardens, Manchester
Whitehead, Jesse Stephen, Manchester Joint Stock Bank, Manchester
Whiteman, Frank Gilbert, London and Westminster Bank, Limited, Lambeth
Whitnell, Thomas Langford, National Provincial Bank of England, Limited, 112, Bishopsgate Street, E.C.
Whitaker, William Patrick, Manchester and Liverpool District Bank, Crewe
Whitworth, Morgan Lewis, National Provincial Bank of England, Limited, Carmarthen
Whitworth, Charles Henry, Pare's Leicestershire Banking Co., Leicester
Whyte, David, Manchester and County Bank, Limited, Manchester
Wiffen, Percy John, Union Bank of London, 2, Princes Street, E.C.
Wigelsworth, Edwin Thomas, Stamford, Spalding and Boston Banking Co., Limited, Grantham
Wightman, Evelyn Thomas Brecknell, National Provincial Bank of England, Limited, Norwich
Wild, William Henry, Messrs. Coutts & Co., 59, Strand, W.C.
Wilde, Matthew Henry, London and Provincial Bank, Limited, Fakenham
Wildy, John William, Messrs. Coutts & Co., 59, Strand, W.C.
Wilkie, David, Wilts and Dorset Banking Company, Salisbury
Wilkinson, Arthur, London and County Banking Co., Limited, Blackheath, S.E.
Wilkinson, George Alfred, National Provincial Bank of England, Limited, Shrewsbury
Willesford, Francis, London and County Banking Co., Limited, Lewes
Williams, Benjamin, Birmingham, Dudley and District Banking Company, Limited, Longton, Staffordshire
Williams, Owen Manoah, Chartered Bank of India, Australia and China, Hatton Court, Threadneedle Street, E.C.
Williams, Owen Thomas, North and South Wales Bank, Limited, Welshpool
Williams, Robert Owen, North and South Wales Bank, Limited, Liverpool
Williams, William, Birmingham, Dudley and District Banking Co., Limited, Cradley Heath

Williams, William Thomas, National Provincial Bank of England, Limited, Manchester
Willis, Allan, Messrs. Leatham, Tew & Co., Wakefield
Wills, Albert, Messrs. Coutts & Co., 59, Strand, W.C.
Wilmot, Samuel Noke, Wilts & Dorset Banking Co., 53, Paynes Hill, Salisbury
Wilshere, Sharman Judson, 42, Belvoir Street, Leicester
Wiltshire, George William, Wilts and Dorset Banking Company, Frome
Wilson, Ernest Edward, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Witherby, George Coltman, Bank of England, E.C.
Woodhams, Robert, London and South Western Bank, Limited, Wellington Road, St. John's Wood, N.W.
Woodrow, James John, Union Bank of London, 2, Princes Street, E.C.
Woodruff, Harrison, Bank of England, E.C.
Woollard, Edwin, Manchester and County Bank, Limited, Bolton
Woolley, Alfred, Parr's Banking Co., Limited, Ormskirk
Wordingham, John Douglas Pennington, Bank of England, E.C.
Worley, George, Union Bank of London, 2, Princes Street, E.C.
Wormal, Obadiah, Messrs. Garfit, Claypon and Co., Boston
Wormal, Williiam Nathan, Messrs. Smith, Ellison & Co., Old Bank, Lincoln
Worth, Allan James, London and County Banking Co., Limited, 21, Hanover Square, W.
Wortley, John Story, Stamford, Spalding and Boston Banking Co., Limited, Bourn
Wren, Charles, London and County Banking Co., Limited, 18, Newington Butts, S.E.
Wright, Arthur Henry, Birmingham, Dudley and District Banking Co., Limited, West Bromwich
Wright, Edwin, London and County Banking Co., Limited, High Street, Kensington, W.
Wright, Henry, London and County Banking Co., Limited, 21, Lombard Street, E.C.
Wybourn, Charles Edwin, London and County Banking Co., Limited, Broadway, Deptford
Wyeth, Ernest, Messrs. Mellersh & Co., Godalming

Youle, David Norrie, London and County Banking Co., Limited, High Street, Kensington, W.
Young, George Henry, London and Yorkshire Bank, Hull
Young, Henry Button, Messrs. Barclay & Co., 54, Lombard Street, E.C.
Young, William, Colonial Bank of New Zealand, Dunedin, N.Z.

TOTAL NUMBER OF MEMBERS, 820.

Members are particularly requested to inform the Secretary as early as possible of any errors in these Lists, and also of any change in their Addresses.

THE PRECEDING REGISTER OF MEMBERS OF THE INSTITUTE OF BANKERS CONTAINS NAMES FROM THE UNDERMENTIONED LONDON BANKERS :—

Agra Bank
Alliance Bank, Limited
Anglo-California Bank, Limited
Anglo-Foreign Banking Co.
Anglo-Foreign Banking Company
Australian Joint Stock Bank.
Aynard and Ruffer.

Bank of Australasia
Bank of North British America.
Bank of England, Threadneedle Street, E.C.
——— 1, Burlington Gardens, W.
——— Law Courts Branch
Bank of New South Wales
Bank of New Zealand
Bank of Scotland
Bank of Victoria
Barclay & Co.
Barker, G. & Co.
Barnetts, Hoares & Co.
Birkbeck Bank
Bosanquet, Salt & Co.
British Linen Company Bank
Brooks & Co.
Brown, Janson & Co.
Brown, Shipley & Co.

The Capital and Counties Bank, Limited, and Branches
Central Bank of London, Limited
Chartered Bank of India, Australia, and China
Chartered Mercantile Bank of India, London and China
Cheque Bank, Limited
Child & Co.
City Bank, Limited, and Branches
Clydesdale Banking Company
Colonial Bank of New Zealand
Commercial Banking Co. of Sydney
Comptoir d'Escompte de Paris
Consolidated Bank, Limited
Coutts & Co.
Crédit Lyonnais

Delhi and London Bank, Limited
C. Devaux & Co.
Dimsdale, Fowler, Barnard & Co.

General Credit and Discount Co., Limited
German Bank of London, Limited
Gillett Brothers & Co.
Glyn & Co.
Goslings & Sharpe
Grindlay & Co.

Harwood, Knight & Allen
Hill & Sons
Hoares
Hong Kong and Shanghai Banking Corporation
Hopkinson & Sons, Charles

Imperial Bank, Limited
Imperial Ottoman Bank
International Financial Society, Limited

King, Henry S. & Co.

Lacy, Hartland, Woodbridge & Co.
Land Mortgage Bank of India, Limited
London and County Banking Co., Limited, and Branches
London Joint Stock Bank and Branches
London and Provincial Bank, Limited, and Branches
London and South Western Bank, Limited, and Branches
London and Westminster Bank, Limited, and Branches
London and Yorkshire Bank, Limited

Martin & Co.
Melville, Evans & Co.
David Mayer
Mercantile International Bank, Limited
Merchant Banking Company of London, Limited
C. de Murietta & Co.

National Bank and Branches
National Bank of Scotland
National Discount Company, Limited
National Provincial Bank of England, Limited, and Branches
New London and Brazilian Bank, Limited

Oriental Bank Corporation

Praeds & Co.
Prescott, Grote, Cave & Co.
Provincial Bank of Ireland

Queensland National Bank

Robarts, Lubbock & Co.
N. M. Rothschild & Sons
Royal Bank of Scotland

Seyd & Co.
Smith, Payne & Smiths
Standard Bank of British South Africa, Limited
Standard Bank of London, Limited
Stern Brothers

Twining & Co., Richard

Union Bank of Australia, Limited
Union Bank of London and Branches
United Discount Corporation, Limited

Williams, Deacon & Co.

Colonial and Foreign Banks.

Alliance Bank of Simla, Limited, Simla, Punjab

Banco de Londres and Rio de la Plata, Buenos Ayres
Bank of Adelaide, Gawler, South Australia
Bank of Africa, Limited, Port Elizabeth, Cape of Good Hope
Bank of Africa, Limited, Craddock, Cape of Good Hope
Bank of Australasia, Brisbane
Bank of California, San Francisco
Bank of Bengal, Delhi
Bank of California, San Francisco
Bank of New South Wales, South Brisbane
Bank of New South Wales, Wanganui, N.Z.
Bank of New Zealand, Auckland, N.Z.
Bank of New Zealand, Bulls, Wanganui, N.Z.
Bank of New Zealand, Foxton, Wellington, N.Z.
Bank of New Zealand, Levuka, Fiji Islands
Bank of New Zealand, Lyttleton, Canterbury, N.Z.
Bank of New Zealand, Masterton, Wellington, N.Z.
Bank of New Zealand, Melbourne
Bank of New Zealand, Nelson, N.Z.
Bank of New Zealand, Patea, Taranaki, N.Z.
Bank of New Zealand, Rangiora, Canterbury, N.Z.
Bank of New Zealand, Sydney, N.S.W.
Bank of New Zealand, Wanganui, N.Z.
Bank of New Zealand, Wellington, N.Z.
Banque de Paris et des Pays-Bas, Amsterdam

City Bank, Sydney, N.S.W.
Colonial Bank, Barbadoes, West Indies
Colonial Bank of New Zealand, Dunedin, N.Z.
Colonial Bank of New Zealand, Nelson, N.Z.
Commercial Banking Company of Sydney, Sydney, N.S.W.
Commercial Bank of Australia, Limited, Melbourne

Delhi and London Bank, Calcutta

English of Bank of Rio de Janeiro, Limited, Pernambuco

London Chartered Bank of Australia, Newcastle, N.S.W.

Mercantile Bank of Sydney, Limited, Sydney, N.S.W.
Molsons Bank, The, Montreal, Canada

National Bank of New Zealand, Wanganui, N.Z.

South African Bank, Cape Town
Standard Bank of South Africa, Limited, Panmure, East London, South Africa
Standard Bank of South Africa, Limited, Port Elizabeth, Cape of Good Hope

Union Bank of Australia, Limited, Brisbane.
Union Bank of Australia, Limited, Wagga Wagga, N.S.W.

Country Banks in the United Kingdom.

Aberdeen Town & County Banking Company, Aberdeen
Adelphi Bank, Limited
Alexanders, Birbeck & Co., and Branches
Ashby, Thomas & Co., and Branches

Bacon, Cobbold & Co.
Backhouse, Jonathan & Co., and Branches
Ball & Co., Dublin
Bank of Bolton, Limited
Bank of England (Branches)
Bank of Ireland, and Branches
Bank of Liverpool
Bank of Scotland, Edinburgh, & Branches
Bank of Westmoreland.
Bank of Whitehaven, Limited
Barnard Thomas & Co.
Barnsley Banking Company
Bartlett & Parrott
Bassett, Son & Harris
Beckett & Co., and Branches
Berwick & Co.
Birmingham Banking Company, Limited
Birmingham, Dudley, and District Banking Company, Limited, and Branches
Birmingham Joint Stock Bank, Limited, and Branches
Birmingham & Midland Bank, Limited

Bradford Commercial Banking Company, Limited
Bradford District Bank, Limited
Bradford Old Bank, Limited
British Linen Co. (Branches)
Bristol and West of England Bank, Limited
Bucks & Oxon Union Bank, Limited and Branches.
Burton, Uttoxeter and Ashbourn Union Bank, Limited

Caledonian Banking Company, Inverness
Capital and Counties Bank, Limited, The (Branches)
Carlisle and Cumberland Banking Company, Limited
Clydesdale Banking Company, Glasgow and Branches
Clymo Treffry & Co.
Cobb & Co.
Cobb, Bartlett & Co.
Commercial Bank of Scotland
Cooper, Purton & Sons
Coryton's Exchange Bank
County of Gloucester Bank, Limited, Swindon
County of Stafford Bank
Craven Bank, Limited, and Branches
Crompton and Evans' Union Bank, Limited
Cumberland Union Banking Co., Limited, and Branches

Dale, Young & Co.
Davies, Banks & Co.
Derby Commercial Bank, Limited
Devon and Cornwall Banking Co.
Dumbell's Banking Co., Limited

Eaton, Caley & Co.
Elliott, Pearce & Co.
Exchange and Discount Bank, Limited

Foster, Messrs., Cambridge

Garfit, Claypon & Co., and Branches
Gloucestershire Banking Co., Limited, and Branches
Gillett, J. C. and A., & Co.
Gruchy, Abraham de, & Son
Gurneys & Co., Great Yarmouth and Branches
Gurneys & Co., Halesworth and Branches
Gurneys & Co., Lynn Regis, and Branches
Gurneys & Co., Norwich, and Branches

Hall, Bevan, West & Hall
Halifax Commercial Banking Co., Limited
Halifax & Huddersfield Union Banking Co.
Halifax Joint Stock Banking Co., Limited
Harris, Bulteel & Co.
Helston & District Bank, Helston, Cornwall
Henty & Co.
Hibernian Bank, Dublin, & Branches
Huddersfield Banking Company

Isle of Man Banking Co., Limited

Jones, David & Co.

Lancaster Banking Company, and Branches
Leatham, Tew & Co.
Lechmere & Co.
Leeds and County Bank, Limited, and Branches
Leicestershire Banking Co., Limited
Lincoln and Lindsey Banking Company, Limited
Liverpool Commercial Banking Company, Limited.
Liverpool Union Bank
Lloyd's Banking Co., Limited, and Branches
London and County Banking Co. Limited (Branches)
London & Provincial Bank, Limited (Branches)
London and South Western Bank, Limited (Branches)
London & Yorkshire Bank, Limited (Branches)

Manchester and County Bank, Limited and Branches.
Manchester Joint Stock Bank, Limited
Manchester and Liverpool District Banking Company, Limited, and Branches
Manchester and Salford Bank, and Branches
Mellersh & Co.
Miles, Cave, Bailie & Co.
Moore and Robinson's Notts Banking Co., Limited
Mortlock & Co.
Munster Bank, Limited & Branches

National Bank, Limited (Branches)
National Bank of Liverpool, Limited, and Branches
National Bank of Scotland and Branches
National Bank of Wales, Limited
National Provincial Bank of England, Limited (Branches)
Northamptonshire Union Bank, Limited
Northern Banking Co., Mohill, Ireland
North Eastern Banking Co., Limited
North and South Wales Bank, Limited and Branches
North Western Bank, Limited
Nottingham and Notts Banking Company
Nottingham Joint Stock Bank, Limited

Oakes, Bevan & Co.

Paget, T. and T. T.
Parr's Banking Co., Limited, and Branches
Peacock, Handley & Co.
Pease, I. & I. W., Darlington
Preston Banking Company
Pritchard, Nicholas & Co.
Provincial Bank of Ireland (Branches)
Pugh, Jones & Co., and Branches

Rochdale Joint Stock Bank, Limited
Rocke, Eyton & Co.
Round, Green & Co.
Royal Bank of Ireland, Limited, Dublin
Royal Bank of Scotland, Edinburgh and Branches

Sharples & Co.
Sheffield Banking Company, Limited, Sheffield
Sheffield and Rotherham Joint Stock Banking Co., Limited, and Branches
Sheffield Union Banking Co., and Branches
Smith, Samuel & Co., and Branches
Smith, Ellison & Co.
Southport and West Lancashire Banking Co., Limited
Sparrow, Tuffnell & Co., and Branches
Staffordshire Joint Stock Bank, Limited, and Branches
Stamford, Spalding and Boston Banking Co., Limited, and Branches
Stephens, Blandy & Co., and Branches
Stuckey's Banking Co., and Branches
Swansea Bank, Limited

Ulster Banking Co., and Branches
Union Bank of Birmingham, Limited
Union Bank of Manchester, Limited, and Branches
Union Bank of Scotland, Glasgow and Branches

Vallance and Payne
Veasey, Desborough & Co.

Wakefield and Barnsley Union Bank
Wakefield, Crewdson & Co.
Watts, Whidborne & Co.
West Riding Union Banking Company.
Wilkins & Co., and Branches
Williams & Co., Chester and Bangor
Williams, R. & R. & Co.
Willyams, Willyams & Co., Truro
Wilts and Dorset Banking Co., and Branches
Worcester City and County Banking Co. Limited, and Branches
Wright, I. & I. C. & Co., Nottingham

Yorkshire Banking Co., Limited, and Branches
York City and County Bank, and Branches
York Union Banking Co., and Branches

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The following donations to the Library have been received during the year 1882 :—

DONATIONS.	By whom Presented.
BELL (G.M.). THE PHILOSOPHY OF JOINT STOCK BANKING. Second Edition. London, 1855	W. A. Dickson, Esq.
BITHELL (RICHARD, B.SC. PH.D.). A COUNTING HOUSE DICTIONARY, CONTAINING AN EXPLANATION OF THE TECHNICAL TERMS USED BY MERCHANTS AND BANKERS, WITH A MINUTE DESCRIPTION OF THE COINS ON WHICH THE EXCHANGES OF THE WORLD ARE BASED, &c., &c. London, 1882	The Author.
BULLION (THOMAS). THE INTERNAL MANAGEMENT OF A COUNTRY BANK, IN A SERIES OF LETTERS ON THE FUNCTIONS AND DUTIES OF A BRANCH MANAGER. London	W. A. Dickson, Esq.
CHALMERS (M. D., M.A.). INDIAN NEGOTIABLE INSTRUMENTS ACT, 1881, BEING AN ACT TO DEFINE AND AMEND THE LAW RELATING TO PROMISSORY NOTES, BILLS OF EXCHANGE, AND CHEQUES. London, 1882	M. D. Chalmers, Esq.
CLARKE (HYDE, V.P.S.S.). SOVEREIGN AND QUASI-SOVEREIGN STATES, THEIR DEBTS TO FOREIGN COUNTRIES. Second Edition. London, 1879	The Author.
COMPANIES ACTS (THE), 1862–1880. STANNARIES ACT, 1869. LIFE ASSURANCE COMPANIES ACT, 1870, AND OTHER ACTS RELATING TO JOINT STOCK COMPANIES. By A. Pulbrook. London, 1882	The Author.
COOKE (CHAS. N.). THE RISE, PROGRESS, AND PRESENT CONDITION OF BANKING IN INDIA. Calcutta, 1863	W. A. Dickson, Esq.

Donations.	By whom Presented.
Fenn's Compendium of the English and Foreign Funds, Debts, and Revenues of all Nations. 13th Edition. By Robert Lucas Nash. London, 1882	The Author.
Grindon (Leo H.). Manchester Banks and Bankers. Historical, Biographical, and Anecdotal. Second Edition. Manchester, 1878 ...	Geo.H.Pownall,Esq.
Incorporated Law Society's Calendar for the Year 1882. London..	The Society.
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Price (F. G. Hilton, F.G.S., F.R.G.S.). Some Account of the Business of Alderman Edward Backwell, Goldsmith and Banker in the 17th Century. London, 1882	The Author.
Statistisque Internationale des Banques D'Emission. Grande Bretagne. Rome, 1882...	Hammond Chubb, Esq.
Tidman (Paul F.). Gold and Silver Money. London, 1882	The Author.
United States. Reports of the Director of the Mint upon the Statistics of the Production of the Precious Metals in the United States. Washington, 1880–1881. Two Volumes..................	The Hon. John Jay Knox, Comptroller of the Currency of the United States of America.
United States. Annual Report of the Secretary of the Treasury on the State of the Finances for the Year 1881. Washington	The Hon. John Jay Knox, Comptroller of the Currency of the United States of America.
United States. Annual Report of the Comptroller of the Currency of the United States for the Year 1881. Washington	The Hon. John Jay Knox, Comptroller of the Currency of the United States of America.
United States. The National Loans of the United States from July 4, 1776, to June 30, 1880. By Rafael A. Bayley. Second Edition. Washington, 1882	The Hon. John Jay Knox, Comptroller of the Currency of the United States of America.
Walford (Cornelius, F.I.A.). An Outline History of the Hanseatic League, more particularly in its bearings upon English Commerce. London, 1881	The Author.

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